

# IDAHO EMPLOYMENT

*A monthly newsletter of the Idaho Department of Labor*



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## IN THIS ISSUE...

### State Overview

Unemployment Rate .....	1
Labor Force Highlights .....	2
Nonfarm Payroll Jobs .....	5
Economic Indicators.....	6

### Panhandle..... 7

### Seaport..... 9

Washington State Minimum Wage.....	9
------------------------------------	---

### Treasure Valley ..... 11

### Magic Valley..... 15

Historic Old Towne Twin Falls .....	15
-------------------------------------	----

### Southeast..... 17

Census 2000—Area Labor Force	
Characteristics .....	18

### Northeast ..... 19

### F.Y.I.

Idaho Regular & Emergency	
Unemployment Claimants.....	21
Idaho's Veterans.....	25

### Glossary..... 27

## State Overview

### IDAHO'S UNEMPLOYMENT RATE INCREASED TO 5.5 PERCENT

*Labor force data for the state, labor market areas, counties, and cities can be found in State Table 1 on page 3.*

Idaho's seasonally adjusted unemployment rate for September 2002 was 5.5 percent, up two-tenths of a percentage point from August. The September rate was four-tenths of a percentage point above the 5.1 percent rate experienced one year ago. Idaho's September unemployment rate remained below the national rate of 5.6 percent, which decreased one-tenth of a percentage point from August.

An increase in the unemployment rate is not unusual in September. Since 1978 the unemployment rate has increased an average of two-tenths of a percentage point between August and September. In September 2002, a loss of 4,200 employed persons and a gain of 600 unemployed persons occurred, resulting in a labor force of 686,500 people—an overall decrease of 3,100 people month-over-month.

This month-over-month employment loss is puzzling among the state's labor market analysts because of its magnitude and because it's contrary to the improvements seen in other labor force indicators.

A regression model used in statistical analysis takes data from both state and federal government sources and calculates labor force statistics. The data Idaho provided for the regression model indicated that the number of jobs increased from August to September following decreases in both July and August. The number of persons filing for unemployment insurance benefits, a major component in determining the number of unemployed people, decreased in September. However, components from the U.S. Bureau of Labor Statistics (BLS) monthly survey of Idaho households indicated that the number of persons working decreased by 19,000, the largest decrease ever between August and September in Idaho.

When asked about the decrease, BLS responded with the following statement, "An investigation of Idaho's CPS (Current Population Survey) demographic data strongly suggests that the decrease in Idaho's employment (-9,000) is directly related to persons 16- to 24-year-olds leaving the labor force and enrolling in school. An analysis of the 'not in the labor force' data, for 16+ , 16- to 24-year-olds, and 25+ shows increases for 16- to 19-year olds (+9,000) and 20- to 24-year-olds (+8,000) demographic groups. Separate analysis of the '16- to 24-year-olds enrolled in school' and '16- to 24-year-olds not enrolled in school' data shows an increase in the 'not in the labor force' category of +24-year-olds for those enrolled in school and a decrease of 7,000 for those not enrolled in school (net change= 17,000 noted above)."



While state analysts agree that Idaho's September unemployment rate was 5.5 percent, which is consistent with recent unemployment rates, there is a great deal of concern about the reported loss of persons employed. September 2002 was the first month to experience a drop in the number of people employed from one year ago since February 2000. There have been ups and downs in the monthly employment statistics during the year, but of a much smaller magnitude. It is probable the number of persons working in September was below the level one year ago as a result of the economic slowdown in most industrial sectors and that there were many individuals returning to school, and thus left the workforce.

It will require several more months of data analysis, annual benchmarking, and data revision processes (in February and March 2003) to discern if the September data was a bump in the road or a trend change.

### Area Labor Force Highlights

Unemployment rates are calculated each month for eight labor market areas (LMAs) in Idaho—Seaport LMA, Boise City Metropolitan Statistical Area (MSA), Pocatello City MSA, Bonneville LMA, Cassia-Minidoka LMA, Idaho-Lewis LMA, Panhandle LMA, and Magic Valley LMA. State Table 1 on page 3 lists the counties located in each labor market area and shows the September labor force numbers.

Once again the Idaho-Lewis LMA had the highest unemployment rate at 8.7 percent followed by the Panhandle LMA at 8.6 percent. Both of these North Idaho areas are heavily dependent upon *Lumber & Wood Products* along with the distressed *Metal Mining* industry in Shoshone County. In recent years these two areas have had the highest unemployment rates in the state.

For lowest unemployment rates the Bonneville LMA in Northeastern Idaho and Magic Valley LMA in South Central Idaho rank first and second, respectively. The four counties in the Bonneville LMA combined to have a 3.2 percent unemployment rate in September 2002, while the three counties that make up the Magic Valley LMA had a combined unemployment rate of 3.8 percent. Both of these areas rely on the general agricultural industry, but also have growing trade and services industries in their population centers.

### County Labor Force Highlights

Four Idaho counties experienced double-digit unemployment rates in September, up from three counties in August 2002. Clearwater County was forecast to have the highest unemployment rate at 13.3 percent in September. Adams County's rate of 12.6 percent was a decrease of 1.1 percent from the revised August rate. Benewah County's unemployment rate was 11.6 percent, up from 9.4 percent in August. Shoshone County's rate of 10.0 percent was down from 10.7 percent in August.

Two counties, Madison and Jefferson, were forecast to have an unemployment rate below 3.0 percent. Jefferson County's unemployment rate, at 2.8 percent in September, was down from 3.5 percent in August 2002. Madison County's unemployment rate dropped from 1.8 percent in August to 1.3 percent in September.

In general, the unemployment rates of Idaho's less-populated counties tend to move up or down by several tenths of a percentage point from month-to-month. Business openings and closings, layoffs,

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and atypical seasonal trends will always have a more profound effect on the unemployment rate in those less-populated counties, but September's more extreme changes from August are due to the large drop in the number of people employed statewide.

## INDUSTRY EMPLOYMENT DEVELOPMENTS

### Overview

In September 2002, there were 569,600 *Nonfarm Payroll Jobs* in Idaho. This number represents a slight addition of 1,700 jobs from the previous month. The total number of *Nonfarm Payroll Jobs* was down by 1.6 percent in the year-over-year comparison as there were 9,000 more jobs in September 2001.

The *Goods-Producing Industries* provided fewer jobs in September than in August (down 1,000) and September 2001 (down 7,800). On the other hand, the *Service-Producing Industries* added jobs in the month-over-month comparison (up 2,700), but this year's job count was 1,200 less than one year ago.

State Table 4 and State Chart 1 (see page 27) track the employment in these general categories during the September 2001 to September 2002 time period. Note that the numbers for January through June 2001 have been benchmarked while those for the remainder of 2001 and 2002 have not and are subject to revision.

This data series indicates Idaho's nonfarm job count troughed in the winter months of January through March and then started trending upwards. Another dip occurred in the summer months, primarily in the *Service-Producing Industries*.

### Industry Highlights

The month-over-month loss of 1,200 jobs in *Construction* led to the overall loss in *Goods-Producing Industries*. *Construction* had reduced employment in all of its sub-categories but *Special Trade Contractors* had the most with a loss of 600 jobs. This industry is the largest component of *Construction* and its workers are employed in all types of construction projects. A slower population growth, an available housing inventory, completion and/or delay of large building construction, consumer uncertainty in the wake of stock market losses, and overall world unease have led to a continuing decline in *Construction* employment. From one year ago, *Construction* shed 4,200 jobs, or 10.4 percent, from the September 2001 number.

There was both encouraging and discouraging news in the employment numbers for two of Idaho's basic, natural resource industries. *Mining* retained the same number of jobs in September as in August, but the loss of 200 jobs from a year ago translates into a 10.0 percent reduction. *Lumber & Woods Products* had no change in jobs from August to September this year.

State Table 1: September 2002 Labor Force (preliminary)

Seasonally Adjusted	Labor Force	Unemp.	% Unemp.	Total Emp.
<b>Seaport LMA</b>	34,578	1,710	4.9	32,868
Nez Perce County	22,326	855	3.8	21,471
Asotin County, WA	12,252	855	7.0	11,397
<b>Boise City MSA</b>	250,988	12,786	5.1	238,201
Ada County	181,086	8,072	4.5	173,014
Canyon County	69,902	4,715	6.7	65,187
<b>Pocatello City MSA*</b>	40,207	2,332	5.8	37,875
<b>Bonneville LMA</b>	81,958	2,637	3.2	79,321
Bingham County	22,226	763	3.4	21,463
Bonneville County	47,639	1,514	3.2	46,125
Butte County	1,640	65	4.0	1,575
Jefferson County	10,453	295	2.8	10,158
<b>Cassia-Minidoka LMA</b>	19,041	1,226	6.4	17,815
Cassia County	9,452	569	6.0	8,883
Minidoka County	9,589	656	6.8	8,932
<b>Idaho-Lewis LMA</b>	7,868	687	8.7	7,181
Idaho County	6,260	544	8.7	5,716
Lewis County	1,608	143	8.9	1,465
<b>Panhandle LMA</b>	93,548	8,009	8.6	85,539
Benewah County	4,624	538	11.6	4,085
Bonner County	18,301	1,637	8.9	16,664
Boundary County	4,649	362	7.8	4,287
Kootenai County	59,198	4,793	8.1	54,405
Shoshone County	6,775	678	10.0	6,097
<b>Magic Valley LMA</b>	49,210	1,866	3.8	47,343
Gooding County	6,836	219	3.2	6,618
Jerome County	9,219	346	3.8	8,872
Twin Falls County	33,154	1,301	3.9	31,853
Adams County	1,773	224	12.6	1,550
Bear Lake County	2,794	139	5.0	2,655
Blaine County	12,556	490	3.9	12,066
Boise County	2,841	176	6.2	2,666
Camas County	414	16	3.9	398
Caribou County	3,249	230	7.1	3,018
Clark County	486	24	5.0	462
Clearwater County	3,726	494	13.3	3,232
Custer County	2,081	128	6.1	1,953
Elmore County	9,939	771	7.8	9,168
Franklin County	5,208	212	4.1	4,996
Fremont County	4,404	169	3.8	4,235
Gem County	6,252	581	9.3	5,671
Latah County	16,440	558	3.4	15,882
Lemhi County	3,732	239	6.4	3,492
Lincoln County	1,975	84	4.3	1,891
Madison County	11,673	147	1.3	11,526
Oneida County	1,769	65	3.7	1,704
Owyhee County	4,756	244	5.1	4,512
Payette County	9,943	980	9.9	8,963
Power County	3,229	252	7.8	2,977
Teton County	3,666	145	4.0	3,521
Valley County	3,992	345	8.6	3,647
Washington County	4,442	409	9.2	4,033
<b>State of Idaho</b>	<b>686,485</b>	<b>37,521</b>	<b>5.5</b>	<b>648,964</b>
<b>Idaho Cities</b>				
Boise	115,200	5,193	4.5	110,007
Coeur d'Alene	20,917	1,330	6.4	19,587
Idaho Falls	29,546	1,008	3.4	28,539
Lewiston	19,042	647	3.4	18,395
Nampa	21,534	1,616	7.5	19,917
Pocatello	28,675	1,690	5.9	26,985
Twin Falls	17,466	747	4.3	16,719

\* Pocatello MSA includes all of Bannock County.

However, this industry lost 900 jobs from last year, primarily in *Logging* and *Sawmills & Planing Mills*. Tree harvest on federal lands, low prices, Canadian imports, and unused mill capacity continue to be long-term problems for these forest industries.

Likewise, there was both encouraging and discouraging news in Idaho's electronics industries. Both the computer and chip/memory manufacturing industries reported either a slight gain or no change in September from August 2002, but both industries combined had 1,200 fewer jobs in September 2002 when compared to September 2001. There will be additional job losses this year as Jabil has announced the closure of its Boise-area facility, resulting in an expected layoff of 550 employees.

The year-over-year loss in *Chemicals & Allied Products* is due to the closure of two phosphate-processing plants in Southeastern Idaho during the year.

The industries that make up the *Service-Producing Industries* generally reported marginal changes in their month-over-month employment levels. School started so there were increases in *State* and *Local Government Education*. In addition to the normal seasonal changes in education is the fall slowdown in tourism.

The 300-job loss in *Motor Freight Transportation & Warehousing* was due in part to the continuing sluggishness of the nation's economy as business investments in equipment and inventory remained cautious, thereby reducing the demand for long-haul trucking. The West Coast port shipyards labor dispute also disrupted normal trucking activity. Any gain in seasonal transporting of farm harvest produce was not enough to offset the loss in other types of trucking.

The job losses in *State Government Administration* and *Local Government Administration* from August to September 2002 are thought to be both seasonal and non-seasonal in nature. Both levels of government hire people to staff swimming pools, parks, and summer programs, but these jobs last only until summer ends. Budget and revenue problems at both levels of government have caused cutbacks and hiring freezes in many public agencies. The year-over-year increase in *Local Government Administration* was due in part to the decision by BLS to include Indian Tribal employment in this classification.

### One Year Later

**9/11.** These two numerals represent a significant event in this country's history; an event with many incalculable and unknown consequences for this and other countries' citizenry. Yet, because we are labor economists, we have been asked frequently about the effects of the September 11 tragedy on Idaho's employment picture. We generally reply that the clearest indication of these effects is seen in Idaho's tourism and

business travel industries. This is not to discount the importance of other effects, but conditions like lingering recession recovery, stock market ups and downs, the war on terrorism, and consumer confidence are difficult to isolate specifically to Idaho's employment picture.

Tourism is not a specific industry and tourism-related jobs can be identified in a host of industries. The Idaho Department of Labor includes three industries (based on the Standard Industrial Classification coding scheme) in its definition of tourism. These are *Eating & Drinking Places*, *Hotels & Other Lodging Places*, and *Amusement and Recreation Places*. These industries have some level of employment attributed to other than tourism, but employment levels often correlate to other indicators of tourism, such as sales tax receipts, visitor surveys, meeting and convention attendance figures, to name a few.

State Table 5 on page 27 summarizes the year-over-year changes in the employment levels of these industries. State Chart 2 shows the tourism trend for the year (see page 27).

Both *Eating & Drinking Places* and *Amusement & Recreation Services* depend upon local customers for much of their business. Yet the loss of jobs in these two industries from November 2001 through May 2002 suggests there were adverse effects that might be attributed to a drop in tourism. The job loss in *Hotels & Other Lodging Places* is more striking and reinforces industry reports of a significant drop in personal and business travel. There has been a rebound of all three industries since May 2002.

### Agricultural Employment

There were an estimated 40,900 persons working on Idaho farms and ranches during September; just over three-fourths of these workers were hired workers with the rest being owners or unpaid family workers. Principal activities included harvesting onions, potatoes, sugar beets, and hops. The final cut of hay also occurred. Harvested products had to be transported to processing, sorting and grading, and storage facilities. Producers also needed workers for soil preparation and equipment repair/maintenance in anticipation of next year's growing season.

Preliminary indications of prices received by Idaho farmers and ranchers in mid-September showed increases from August for wheat, calves, and milk. All other listed commodities showed declines from August to September 2002. Commodities other than barley, dry beans, potatoes, and wheat showed price declines from September 2001 to September 2002. However, production estimates for most commodities increased year-

*Continued on page 27*

State Table 2: Nonfarm Payroll Jobs

BY PLACE OF WORK	Sept 2002*	Aug 2002	Sept 2001	% Change From	
				Last Month	Last Year
<b>Nonfarm Payroll Jobs**</b>	569,600	567,900	578,600	0.3	-1.6
<b>GOODS-PRODUCING INDUSTRIES</b>	109,900	110,900	117,700	-0.9	-6.6
<b>Mining</b>	1,800	1,800	2,000	0.0	-10.0
Metal Mining	500	500	700	0.0	-28.6
<b>Construction</b>	36,200	37,400	40,400	-3.2	-10.4
<b>Manufacturing</b>	71,900	71,700	75,300	0.3	-4.5
Durable Goods	43,600	43,700	46,100	-0.2	-5.4
Lumber & Wood Products	11,100	11,100	12,000	0.0	-7.5
Logging	2,100	2,100	2,600	0.0	-19.2
Sawmills & Planing Mills	4,100	4,100	4,400	0.0	-6.8
Wood Buildings & Mobile Homes	1,200	1,100	1,200	9.1	0.0
Other Lumber & Wood Products	3,700	3,800	3,800	-2.6	-2.6
Stone, Clay, Glass & Concrete Products	1,600	1,700	1,500	-5.9	6.7
Fabricated Metal Products, exc. Machinery & Transportation Equip.	2,800	2,900	3,000	-3.4	-6.7
Industrial & Commercial Machinery & Computer Equipment	9,400	9,300	9,800	1.1	-4.1
Electronic & Other Electrical Equip. & Components, Exc., Computer	13,100	13,100	13,900	0.0	-5.8
Transportation Equipment	2,200	2,100	2,200	4.8	0.0
Other Durable Goods	3,400	3,500	3,700	-2.9	-8.1
Nondurable Goods	28,300	28,000	29,200	1.1	-3.1
Food Processing	17,400	17,000	17,600	2.4	-1.1
Canned, Frozen, & Preserved Fruits, Vegetables & Food Specialties	9,800	9,500	9,800	3.2	0.0
Paper Products	2,100	2,100	2,200	0.0	-4.5
Printing, Publishing & Allied Products	4,900	4,900	5,000	0.0	-2.0
Chemicals & Allied Products	2,000	2,000	2,400	0.0	-16.7
Other Nondurable Goods	1,900	2,000	2,000	-5.0	-5.0
<b>SERVICE-PRODUCING INDUSTRIES</b>	459,700	457,000	460,900	0.6	-0.3
<b>Transportation, Communications, &amp; Utilities</b>	27,400	27,700	28,300	-1.1	-3.2
Transportation	16,900	17,100	17,900	-1.2	-5.6
Railroad	1,300	1,300	1,300	0.0	0.0
Motor Freight Transportation & Warehousing	9,800	10,100	10,300	-3.0	-4.9
Communications	6,400	6,500	6,400	-1.5	0.0
Electric, Gas, & Sanitary Services	4,100	4,100	4,000	0.0	2.5
<b>Trade</b>	141,000	142,100	142,100	-0.8	-0.8
Wholesale Trade	31,400	31,400	31,600	0.0	-0.6
Durable Goods	14,600	14,800	14,800	-1.4	-1.4
Nondurable Goods	16,800	16,600	16,800	1.2	0.0
Retail Trade	109,600	110,700	110,500	-1.0	-0.8
Building Materials, Hardware, Garden Supply & Manuf. Home Dealers	7,100	7,300	6,700	-2.7	6.0
General Merchandise Stores	14,200	14,300	13,700	-0.7	3.6
Food Stores	18,500	18,700	18,800	-1.1	-1.6
Automotive Dealers & Gasoline Service Stations	12,400	12,300	12,500	0.8	-0.8
Eating & Drinking Places	38,900	39,300	39,200	-1.0	-0.8
<b>Finance, Insurance &amp; Real Estate</b>	24,700	24,900	24,600	-0.8	0.4
Banking	7,400	7,500	7,400	-1.3	0.0
<b>Services</b>	154,300	156,000	154,500	-1.1	-0.1
Hotels & Other Lodging Places	7,600	8,300	8,700	-8.4	-12.6
Personal Services	4,400	4,400	4,300	0.0	2.3
Business Services	29,600	29,700	31,500	-0.3	-6.0
Amusement and Recreation Services	7,000	8,100	7,600	-13.6	-7.9
Health Services	40,800	40,900	38,700	-0.2	5.4
Hospitals	14,200	14,100	13,200	0.7	7.6
Engineering, Accounting, Research, Management, & Related Services	19,800	20,000	18,800	-1.0	5.3
<b>Government</b>	112,300	106,300	111,400	5.6	0.8
Federal Government	14,600	15,000	14,000	-2.7	4.3
State & Local Government	97,700	91,300	97,400	7.0	0.3
State Government	28,500	26,300	29,500	8.4	-3.4
Education	13,200	10,900	13,600	21.1	-2.9
Administration	15,300	15,400	15,900	-0.6	-3.8
Local Government	69,200	65,000	67,900	6.5	1.9
Education	37,200	32,400	37,100	14.8	0.3
Administration	32,000	32,600	30,800	-1.8	3.9

\* Preliminary Estimate

\*\* Estimates include all full or part time wage and salary workers who worked or received pay in the following industry groups during the pay period ending nearest the 12th of the month.

DATA PREPARED IN COOPERATION WITH THE BUREAU OF LABOR STATISTICS

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# State Table 3: Economic Indicators

State Table C: Economic Indicators

	Sept 2002	Aug 2002	Sept 2001	% Change From					
				Last Month	Last Year				
IDAHO LABOR FORCE <sup>(1)</sup>									
<b>Seasonally Adjusted</b>									
Civilian Labor Force	686,500	689,600	687,600	-0.4	-0.2				
Unemployment	37,500	36,400	34,800	3.0	7.8				
Percent of Labor Force Unemployed	5.5	5.3	5.1						
Total Employment	649,000	653,200	652,800	-0.6	-0.6				
<b>Unadjusted</b>									
Civilian Labor Force	690,400	698,900	691,400	-1.2	-0.1				
Unemployment	31,400	32,900	28,800	-4.6	9.0				
Percent of Labor Force Unemployed	4.5	4.7	4.2						
Total Employment	659,000	666,000	662,600	-1.1	-0.5				
U. S. UNEMPLOYMENT RATE <sup>(2)</sup>	5.6	5.7	5.0						
U.S. CONSUMER PRICE INDEX <sup>(2)</sup>									
Urban Wage Earners & Clerical Workers (CPI-W)	177	176.6	174.8	0.2	1.3				
All Urban Consumer (CPI-U)	181	180.7	178.3	0.2	1.5				
AGRICULTURE									
Agriculture Employment	40,940	41,690	39,220	-1.8	4.4				
Operators	9,010	9,010	9,010	0.0	0.0				
Unpaid Family	680	670	670	1.5	1.5				
Hired Workers	31,250	32,010	29,540	-2.4	5.8				
UNEMPLOYMENT INSURANCE									
<b>Claims Activities</b>									
Initial Claims <sup>(3)</sup>	7,805	9,057	6,139	-13.8	27.1				
Weeks Claimed <sup>(4)</sup>	69,238	70,639	46,733	-2.0	48.2				
<b>Benefit Payment Activities<sup>(5)</sup></b>									
Weeks Compensated	48,445	58,958	37,696	-17.8	28.5				
Total Benefit \$ Paid	\$10,528,463	\$12,589,314	\$8,114,364	-16.4	29.8				
Average Weekly Benefit Amount	\$217.33	\$213.53	\$215.26	1.8	1.0				
Covered Employers	40,406	40,306	40,216	0.2	0.5				
Total Benefit \$ Paid During Last 12 Months <sup>(4)</sup>	\$209,566,466	\$207,152,367	\$133,674,288	1.2	56.8				
(1) Preliminary Estimate									
(2) Source: U.S. Bureau of Labor Statistics									
(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims									
(4) Includes all entitlements/programs, Intrastate and Interstate Agent									
(5) Includes all entitlements/programs, Total Liable Activities									
HOURS AND EARNINGS									
	Average Weekly Earnings*			Average Weekly Hours			Average Hourly Earnings		
	Sept 2002	Aug 2002	Sept 2001	Sept 2002	Aug 2002	Sept 2001	Sept 2002	Aug 2002	Sept 2001
Mining	\$751.61	\$709.18	\$661.60	42.9	41.4	41.9	\$17.52	\$17.13	\$15.79
Construction	\$689.52	\$709.80	\$674.50	40.8	41.1	39.7	\$16.90	\$17.27	\$16.99
Total Manufacturing	\$628.29	\$622.94	\$604.89	39.0	37.8	38.8	\$16.11	\$16.48	\$15.59
Lumber & Wood Products	\$640.01	\$634.70	\$604.67	41.0	39.3	40.5	\$15.61	\$16.15	\$14.93
Food & Kindred Products	\$452.25	\$383.76	\$489.54	37.5	31.9	39.8	\$12.06	\$12.03	\$12.30
Communications	\$904.20	\$833.28	\$777.59	41.9	43.4	42.1	\$21.58	\$19.20	\$18.47
Electric, Gas, & Sanitary Services	\$733.57	\$709.93	\$823.20	36.9	36.5	40.0	\$19.88	\$19.45	\$20.58
Trade	\$329.70	\$326.40	\$335.48	29.1	29.3	29.9	\$11.33	\$11.14	\$11.22
Wholesale Trade	\$512.24	\$509.19	\$515.87	33.7	33.0	36.1	\$15.20	\$15.43	\$14.29
Retail Trade	\$283.92	\$280.88	\$287.64	28.0	28.4	28.2	\$10.14	\$9.89	\$10.20
DATA PREPARED IN COOPERATION WITH THE BUREAU OF LABOR STATISTICS									
* These average earnings are computed on a gross basis and reflect changes in premium pay for overtime and late shift work as well as changes in basic hourly and incentive wage.									



# PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

## EMPLOYMENT TRENDS

The Panhandle's seasonally adjusted unemployment rate rose to 8.7 percent in September as several manufacturers laid off workers and job opportunities began drying up earlier than normal for this time of year. The unemployment rate in August was 8.3 percent. The unemployment rate in September 2001, which did not yet reflect the effects of the September 11 terrorist attacks, was 7.8 percent.

The last two years have brought higher unemployment in both the United States and the Panhandle. In September 2000, the U.S. unemployment rate, at 4.0 percent, was hovering near a record 30-year low. The Panhandle's unemployment rate, however, had risen to 8.9 percent from 7.9 percent in June 2000 because of problems in the lumber, mining, and dot.com industries. By September 2001, the recession that began in early 2001 pushed the U.S. unemployment rate to 5.0 percent, while stabilization in the lumber industry allowed the Panhandle's unemployment rate to move down to 7.9 percent. After September 11, the effects of the U.S. recession, as well as the effects of the terrorists attacks on tourism, caused job losses throughout the United States. By December 2001, following the closure of the Sunshine Mine, the Panhandle's seasonally adjusted unemployment rate peaked at 9.0 percent. The U.S. unemployment rate peaked at 6.0 percent four months later. In late spring, when the U.S. economy seemed to be recovering rapidly, the Panhandle's unemployment rate edged down to 8.0 percent, but by summer, the U.S. economic recovery was teetering. The resulting uncertainty and reduction in manufacturing activity caused the Panhandle's unemployment rate to begin edging upward again. The U.S. unemployment rate made marginal improvements as jobs were created slowly. It reached 5.6 percent this September.

Although job opportunities are limited and some Panhandle families are suffering acutely, the region as a whole is not suffering as much as in other recent U.S. recessions. The Panhandle's seasonally adjusted unemployment rate peaked at 10.7 percent in April 1991, 13.0 percent in September 1986, and 19.2 percent in October 1982.

Panhandle Table 1: Labor Force & Employment

	Sept 2002*	Aug 2001	Sept 2001	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	92,930	92,330	91,930	0.6	1.1
Unemployed	8,040	7,700	7,210	4.4	11.5
% of Labor Force Unemployed	8.7	8.3	7.8		
Total Employment	84,890	84,630	84,720	0.3	0.2
<b>Unadjusted</b>					
Civilian Labor Force	92,610	93,980	91,690	-1.5	1.0
Unemployed	5,990	5,730	5,290	4.5	13.2
% of Labor Force Unemployed	6.5	6.1	5.8		
Total Employment	86,620	88,250	86,400	-1.8	0.3
<b>JOB BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs**</b>					
<b>Goods-Producing Industries</b>	13,980	13,980	14,860	0.0	-5.9
Mining	540	550	680	-1.8	-20.6
Construction	4,840	4,830	5,200	0.2	-6.9
Manufacturing	8,600	8,600	8,980	0.0	-4.2
Lumber & Wood Products	4,180	4,100	4,420	2.0	-5.4
All Other Manufacturing	4,420	4,500	4,560	-1.8	-3.1
<b>Service-Producing Industries</b>	56,780	57,000	55,610	-0.4	2.1
Transportation	1,520	1,560	1,610	-2.6	-5.6
Communication & Utilities	1,070	1,100	1,060	-2.7	0.9
Wholesale Trade	2,100	2,180	2,180	-3.7	-3.7
Retail Trade	15,680	16,000	15,240	-2.0	2.9
Finance, Insurance & Real Estate	2,840	2,840	2,700	0.0	5.2
Service & Miscellaneous	19,140	19,840	18,390	-3.5	4.1
Government Administration	9,180	9,420	9,210	-2.5	-0.3
Government Education	5,250	4,060	5,220	29.3	0.6

\* Preliminary estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

## AREA DEVELOPMENTS

### Rural Communities

- The North Idaho Rural Health Consortium recently won a \$500,000 federal grant to provide more timely and convenient analysis of X-rays and CT-scans. The grant from the U.S. Department of Agriculture's Rural Development Program will create a "telemedicine" network connecting Boundary Community Hospital in Bonners Ferry, Benewah Community Hospital in St. Maries, and Shoshone Medical Center in Kellogg with Bonner General Hospital in Sandpoint. A radiologist will travel to all of the hospitals to conduct procedures with patients, and will be available at any time to any of the hospitals for reading diagnostic images transmitted over the "telemedicine" network. The consortium estimates that 20,340 patients a year will benefit from the faster interpretation of X-rays and CT-scans.
- Many Panhandle residents expressed enthusiasm when they heard that Louisiana-Pacific Corp. (L-P) no longer is seeking buyers for its North Idaho lumber operations, including two sawmills in Boundary County employing 250 people; a finishing plant in Sandpoint employing 80 people; and a sawmill in Chilco, north of Hayden, employing 90 people. L-P will



continue to own and operate the four lumber operations. Last spring, Portland-based L-P announced a major reorganization that included selling all of its lumber operations. This caused uncertainty about the future of the four North Idaho lumber operations and could have affected workers' retirement funds. The prospect of a sale caused special concern in Boundary County because the L-P mills directly account for eight percent of the county's payroll jobs. This was the second time in one year that the Bonners Ferry mill was up for sale. L-P purchased the mill from Crown Pacific in fall 2001 when Crown divested itself of its Idaho holdings.

### **Kootenai County**

- Many plans announced in recent months came to fruition this fall. The Bon Marché opened at the beginning of November in the 44,000-square-foot space formerly occupied by Lamont's, and later Gottschalk's, at Coeur d'Alene's Silver Lake. It employs 50 people. Walgreen's hired 30 employees and opened its 14,500-square-foot, 24-hour drug store October 25. It is located in front of the old Rosauer's store on the northeast corner of Appleway and Highway 95 in Coeur d'Alene. The 100-seat Brix nightclub celebrated its grand opening in downtown Coeur d'Alene's historic Penney's building during the last week of September. Coeur d'Alene Subaru opened its new 14,000-square-foot building on three acres near Interstate 90 in Post Falls, allowing it to move from Fourth Street in Coeur d'Alene. Next month Knudtsen Chevrolet also will move from Fourth Street to a new 43,000-square-foot building on six acres in the same auto dealership row. The Center for Advanced Microelectronics and Biomolecular Research moved from the University of New Mexico into a 6,000-square-foot space at the University of Idaho Research Park, bringing 15 jobs.
- C. Paul Sandifur, president and CEO of Spokane-based Metropolitan Mortgages & Securities Co., announced in late October that he plans to bring 50 jobs to the Coeur d'Alene area. Sandifur cited Idaho's favorable business climate as the major factor in his decision to bring 35 jobs from Spokane and 15 jobs from Boise. He plans to expand sales for his life insurance business from 21 to 41 states. To compete at a national level, Sandifur indicated he wanted a stronger business environment, which he felt Idaho provides. Metropolitan Mortgage employs 420 people in Spokane. Jobs Plus, the nonprofit organization that recruits businesses to Kootenai County, played a major role in bringing the Metropolitan Mortgage jobs to North Idaho. Sandifur did not specify the exact location and timing.
- Four Season Assisted Living is under construction near Coeur d'Alene High School. The center will encompass four 5,200-square-foot residential buildings that together will house 50 residents. The first building, Autumn Cottage, will open before the end of 2002, and the fourth building is slated for completion by July. Four Season Assisted Living will employ 42 people, including registered nurses and physical therapists.

- A health food store with a deli, juice bar, and espresso bar will open in a 2,000-square-foot building at 205 East Seltice Way in Post Falls in mid-November. Owned by Wanda Galland and her mother, Florence Galland, River City Health Foods will also sell prepared foods targeted to seniors and will deliver groceries.
- Melissa Clair, who owns three Domino's pizza restaurants in Kootenai County, will open a fourth in November south of Schuck's Auto Parts in Hayden. It will employ 30 people.
- Del Taco, which claims it's the world's second-largest taco chain, plans to open a 2,150-square-foot Mexican restaurant at the southwest corner of Highway 95 and Prairie Avenue in Hayden. When it opens in 2003, Idaho's first Del Taco will employ about 35 people.
- Leopard Lattes is the new drive-through espresso stand at 220 Spokane Street in Post Falls.
- Our Lady of Victory School (OLVS), a publisher of textbooks, lesson plans, and other materials for traditional Catholic home-schooling, plans to build a \$245,000, 7,000-square-foot building at 421 Lochsa Street in Post Falls. Our Lady of Victory began selling educational materials in California in 1977 and then moved to 103 East Tenth Avenue in Post Falls in 1991. More than 1,500 students are fully enrolled in OLVS, and hundreds more use its lesson plans and books.
- The largest lodging place in Post Falls, WestCoast Templin's Resort, soon will adopt the Red Lion brand name. It is one of 20 WestCoast hotels that will adopt the Red Lion name in February. Templin's has undergone two other name changes in recent years. First, it was purchased by Cavanaugh's, which in turn was purchased by WestCoast. WestCoast recently purchased the Red Lion hotel chain and decided to use the Red Lion brand for Templin's and 19 other WestCoast hotels. Templin's employs up to 170 people during the summer tourism peak season.

### **Shoshone County**

- The Tele-Servicing Innovations (TSI) call center continues to generate new jobs. TSI announced it plans to move to the Silver Valley in late 2000. While waiting for construction of its building at the Silver Valley Industrial Park in Smelterville, TSI bused about 30 Silver Valley residents to a temporary center in Coeur d'Alene each day. After TSI moved into its Smelterville building in October 2001, its employment increased to 60 people. Today, it employs twice that many people and has the potential to add more jobs over the next year. The jobs created by TSI make a substantial difference to a community reeling from mine closures and layoffs.

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# SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

## EMPLOYMENT TRENDS

Seaport's seasonally adjusted unemployment rate increased in September to 4.9 percent from August's rate of 4.3 percent, as shown in Seaport Table 1. In September 2001, the rate was 4.0 percent. Total employment decreased in September by 990 month-over-month, which follows seasonal trends. However the decrease is more than twice the five-year average decrease between September and August. Employment usually decreases in September because of a break between hiring seasons for recreation/agriculture and the winter hiring season for the holidays. From September 2001, total employment decreased by 830 in September 2002.

In September, *Seaport's Nonfarm Payroll Jobs* increased by 130 from August 2002, but decreased slightly (80) from September 2001. September's increase month-over-month was due to normal seasonal fluctuation in *Government Education*. *Education* increases in September because of the return of school staffs to classrooms after the summer break.

## SPECIAL TOPIC

### Washington State Minimum Wage

The Washington State minimum wage will increase 11 cents, to \$7.01 an hour, on January 1, 2003. Washington's minimum wage is recalculated each year in September because of a 1998 voter-approved initiative that mandates an annual cost-of-living adjustment. The adjustment is made based on changes in the U.S. Consumer Price Index for urban wage earners and clerical workers. For the 12 months ending August 2002, the index increased 1.6 percent over August 2001. That prompted a 1.6 percent increase in the current \$6.90 per hour minimum wage. The minimum wage applies to workers in both agricultural and nonagricultural jobs. Workers younger than 16 years of age may be paid 85 percent of the adult minimum wage. North Central Idaho employers, especially those in Lewiston and Moscow, keep a close eye on the minimum wage in the state of Washington. Increases in the minimum wage in Washington usually signal a need to increase entry level wages in North Central Idaho border communities because employers compete

Seaport Table 1: Labor Force & Employment  
Nez Perce County, Idaho and Asotin County, Washington

	Sept 2002*	Aug 2002	Sept 2001	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	34,580	35,370	35,100	-2.2	-1.5
Unemployment	1,710	1,510	1,400	13.2	22.1
% of Labor Force Unemployed	4.9	4.3	4.0		
Total Employment	32,870	33,860	33,700	-2.9	-2.5
<b>Unadjusted</b>					
Civilian Labor Force	34,110	35,140	34,700	-2.9	-1.7
Unemployment	1,310	1,270	1,070	3.1	22.4
% of Labor Force Unemployed	3.8	3.6	3.1		
Total Employment	32,800	33,870	33,630	-3.2	-2.5
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs**</b>	26,060	25,930	26,140	0.5	-0.3
<b>Goods-Producing Industries</b>	5,300	5,420	5,450	-2.2	-2.8
Mining & Construction	1,510	1,550	1,570	-2.6	-3.8
Manufacturing	3,790	3,870	3,880	-2.1	-2.3
Food Processing	100	110	140	-9.1	-28.6
Lumber & Wood Products	660	720	710	-8.3	-7.0
Paper Products	1,680	1,700	1,710	-1.2	-1.8
All Other Manufacturing	1,350	1,340	1,320	0.7	2.3
<b>Service-Producing Industries</b>	20,760	20,510	20,690	1.2	0.3
Transportation	1,350	1,360	1,390	-0.7	-2.9
Communications & Utilities	260	270	270	-3.7	-3.7
Wholesale Trade	1,060	1,030	980	2.9	8.2
Retail Trade	4,790	4,770	5,010	0.4	-4.4
Finance, Insurance, & Real Estate	1,730	1,710	1,430	1.2	21.0
Services	6,750	6,820	6,760	-1.0	-0.1
Government Administration	2,690	2,750	2,730	-2.2	-1.5
Government Education	2,130	1,800	2,120	18.3	0.5

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

for the same labor pool. The Idaho and federal minimum wage is \$5.15 an hour. There are no January 1, 2003 increases planned for either Idaho or the U.S.

## AREA DEVELOPMENTS

### Idaho & Lewis Counties

- Syringa General Hospital (SGH) in Grangeville recently received a grant from the Idaho Hospital Association to begin a Tuition Assistance Program (TAP). This grant is intended to provide financial assistance to hospital employees, area college students, and community members who will complete the educational requirements that would fill a needed staff position at SGH. As a rural hospital, SGH is particularly vulnerable to nationwide staffing shortages. It is believed that one of the most effective ways to recruit and retain skilled employees in a rural setting is to provide access for healthcare education to local persons interested in pursuing such health-related careers. Some of the more critical positions that are in demand locally and nationwide include nurses, laboratory technologists, radiology technologists, and physical therapists. Emphasis will

be placed on using the grant for students currently enrolled in one of these programs who have a desire to return to the area and work for SGH.

### **Latah County**

- Several University of Idaho (UI) research efforts totaling more than \$4 million were among the projects included in the Defense Appropriations Bill passed by the U.S. House of Representatives in October. The bill will now go to the Senate and then to President Bush for his signature. UI research supported by the bill includes:
  - » \$1.2 million dollars for the UI Center for Secure and Dependable Software. The funding will be used for operations and infrastructure support for the center. The software security initiative will expand research and instruction in the design and development of technologies resulting in secure and reliable computing systems. Among other things, the research will help protect computer networks from terrorist attacks.
  - » \$2.1 million dollars for advanced materials research at UI. This includes research related to semiconductor technology. Research will also focus on the development of innovative deposition processes to produce thick film ferrite materials to improve computer control systems. Military applications of thick film ferrite magnetic materials include circulators, phase shifters, and filters. Civilian applications include semiconductor active microwave and millimeter wave circuits, and collision avoidance radar for automobiles of the future.
  - » \$1 million dollars to the UI Center for Intelligent Systems Research, with its umbrella research institute, the Microelectronics Research and Communications Institute, for the development of miniature autonomous vehicle technology. These vehicles would be capable of autonomous navigation on land, air, and under the sea. UI already has developed and tested a vehicle capable of navigating a forest environment and will use this funding to develop a small fleet of underwater vehicles.
- As part of a nationwide move, Verizon has announced layoffs of potentially 25 workers in their Moscow office. According to company officials, difficult economic times for the telecommunication industry require Verizon to eliminate 125 employees in the Northwest. Jobs targeted include engineers, employees who monitor outside cable, switches programmers, and equipment technicians.

### **Nez Perce & Asotin Counties**

- Potlatch, the Lewiston-Clarkston Valley's largest employer, had six barges in Portland waiting to be transported to Asian and Japanese markets when a federal judge reopened the West Coast ports in October, said Mark Benson, Potlatch public affairs director for the western region. With the reopening of the ports, it's

likely those shipments will arrive at Potlatch's customers before their paperboard inventories are depleted. During the labor dispute Potlatch trucked their loads to Portland instead of using river barges and took their place in line in anticipation of the reopening. Potlatch ships 40 percent of its paperboard made in Lewiston through the Port of Lewiston down the Columbia River system to the Port of Portland. It also manufactures lumber and tissue products, such as paper napkins and toilet paper, in Lewiston.

- North Central Idaho wheat growers were slightly affected by the West Coast labor dispute. Prices for soft white wheat that was shipped and paid for immediately fell by about 20 cents a bushel at the beginning of the strike, but had started to rise after the court action to re-open the ports. "The longshoremen's labor dispute and the re-opening of West Coast ports appears to have happened early enough that North Central Idaho wheat farmers will be insulated from its effects," said Ken Blakeman, manager of Primeland Cooperatives, headquartered in Lewiston. Not all of the decrease could be blamed on the labor dispute, and prices for later delivery dates weren't affected as much, Blakeman said. Fresh and frozen produce that can't be stored as easily suffered more, Blakeman said. Had the dispute continued longer, wheat growers would have had to consider other transportation routes, such as the Great Lakes and the Gulf of Mexico. During the labor dispute on the West Coast no workers at the Port of Lewiston were laid off.
- The Nez Perce Tribal Fish Hatchery opened in October with prayers and songs. Tribal officials recounted their 20-year struggle to fund and build the hatchery and said its completion would benefit tribal members and non-Native Americans alike. "This facility we believe is for the entire region," said Samuel Penney, chairman of the Nez Perce Tribal Executive Committee. The hatchery is designed to raise fish that are better suited for survival when released as juveniles to spawn in the wild when they return as adults. The Bonneville Power Administration (BPA) funded the \$16 million hatchery. Now BPA spends millions of dollars each year to mitigate the impact of dams on fish and wildlife. BPA Administrator Steven Wright of Portland said this hatchery will help the agency fulfill part of its mitigation responsibilities and hoped it would lead to recovery of the threatened and endangered runs. Wright noted the hatchery was built on schedule and within its budget. "That is an incredible accomplishment," he said.

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# TREASURE VALLEY

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY, & WASHINGTON COUNTIES

## EMPLOYMENT TRENDS

The September 2002 seasonally adjusted unemployment rate for the Boise City Metropolitan Statistical Area (MSA), which includes Ada and Canyon Counties, was 5.1 percent, as shown in Treasure Valley Table 1. This rate is up one-tenth of a percentage point from the August 2002 rate of 5.0 percent and up six-tenths of a percentage point from the September 2001 rate of 4.5 percent. The number of individuals employed decreased from August to September by 400 individuals, while an increase of 300 occurred in the number of unemployed individuals, from 12,500 in August to 12,800 in September. The decrease in the number employed and the increase in the number unemployed created a net decrease in the *Civilian Labor Force* of 100 individuals from August to September 2002. Year-over-year, there was an increase of 1,500 unemployed individuals and a decrease of 3,200 employed individuals, which led to a decrease of 1,700 in the *Civilian Labor Force*. Treasure Valley Table 2 shows the September 2002 seasonally adjusted labor force figures for all counties in Southwest Idaho.

**Treasure Valley Table 2: September 2002  
Seasonally Adjusted Labor Force Figures for  
Southwest Idaho Counties**

	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Ada	181,086	8,072	4.5	173,014
Adams	1,773	224	12.6	1,550
Boise	2,841	176	6.2	2,666
Canyon	69,902	4,715	6.7	65,187
Elmore	9,939	771	7.8	9,168
Gem	6,252	581	9.3	5,671
Owyhee	4,756	244	5.1	4,512
Payette	9,943	980	9.9	8,963
Valley	3,992	345	8.6	3,647
Washington	4,442	409	9.2	4,033
Statewide	686,485	37,521	5.5	648,964

Approximately 800 *Nonfarm Payroll Jobs* were added in the Boise City MSA between August and September 2002, while there was a decrease of 1,000 *Nonfarm Payroll Jobs* since September 2001.

**Treasure Valley Table 1: Boise MSA Labor Force & Employment  
Ada and Canyon Counties**

	Sept 2002*	Aug 2002	Sept 2001	% Change Last Month	% Change Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	251,000	251,100	252,700	0.0	-0.7
Unemployment	12,800	12,500	11,300	2.4	13.3
% of Labor Force Unemployed	5.1	5.0	4.5		
Total Employment	238,200	238,600	241,400	-0.2	-1.3
<b>Unadjusted</b>					
Civilian Labor Force	249,000	253,500	250,600	-1.8	-0.6
Unemployment	11,600	11,600	10,100	0.0	14.9
% of Labor Force Unemployed	4.7	4.6	4.0		
Total Employment	237,400	241,900	240,500	-1.9	-1.3
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs**</b>	230,700	229,900	231,700	0.3	-0.4
<b>GOODS-PRODUCING INDUSTRIES</b>					
<b>Construction &amp; Mining</b>	15,900	16,100	17,100	-1.2	-7.0
<b>Manufacturing</b>	34,600	34,700	36,000	-0.3	-3.9
Durable Goods	26,200	26,400	27,600	-0.8	-5.1
Lumber & Wood Products	3,100	3,100	3,200	0.0	-3.1
Wood Buildings & Mobile Homes	800	800	900	0.0	-11.1
Other Lumber & Wood Products	2,300	2,300	2,300	0.0	0.0
Fabricated Metal Products	1,200	1,200	1,200	0.0	0.0
Ind. & Com. Mach. & Computer Equip.	7,200	7,300	7,700	-1.4	-6.5
Electronic & Other Elect. Equip. & Comp.	11,300	11,300	12,000	0.0	-5.8
Transportation Equipment	1,700	1,800	1,700	-5.6	0.0
Other Durable Goods	1,700	1,700	1,800	0.0	-5.6
Nondurable Goods	8,400	8,300	8,400	1.2	0.0
Food & Kindred Products	5,700	5,500	5,700	3.6	0.0
Canned Cured & Frozen Foods	1,700	1,600	1,700	6.3	0.0
Printing, Pub & Allied Products	1,900	1,900	1,900	0.0	0.0
Other Nondurable Goods	800	900	800	-85.5	0.0
<b>SERVICE-PRODUCING INDUSTRIES</b>					
<b>Trans., Comm., &amp; Public Utilities</b>	12,400	12,200	12,200	1.6	1.6
Transportation	7,000	6,800	7,000	2.9	0.0
Comm. & Elec. Gas & Sanitary Svcs.	5,400	5,400	5,200	0.0	3.8
<b>Trade</b>	56,500	56,700	56,700	-0.4	-0.4
Wholesale Trade	12,600	12,700	12,700	-0.8	-0.8
Durable Goods	7,700	7,800	7,700	-1.3	0.0
Nondurable Goods	4,900	4,900	5,000	0.0	-2.0
Retail Trade	43,900	44,000	44,000	-0.2	-0.2
General Merchandise Stores	5,900	5,900	5,700	0.0	3.5
Foods Stores	7,300	7,400	7,600	-1.4	-3.9
Eating & Drinking Places	15,700	15,700	15,700	0.0	0.0
Other Retail Trade	15,000	15,000	15,000	0.0	0.0
<b>Finance, Insurance, &amp; Real Estate Services</b>	11,700	11,800	11,600	-0.8	0.9
Business Services	63,800	64,200	62,800	-0.6	1.6
Health Services	13,600	13,800	14,700	-1.4	-7.5
Hospitals	19,300	19,300	18,400	0.0	4.9
Eng. Acct., Res, Mgmt., & Related	9,200	9,300	8,500	-1.1	8.2
Other Services	5,600	5,700	5,200	-1.8	7.7
<b>Government</b>	25,300	25,400	24,500	-0.4	3.3
Federal Government	35,800	34,200	35,300	4.7	1.4
State Government	5,600	5,500	5,300	1.8	5.7
Education	13,300	12,600	13,700	5.6	-2.9
Administration	4,300	3,600	4,500	19.4	-4.4
Local Government	9,000	9,000	9,200	0.0	-2.2
Education	16,900	16,100	16,300	5.0	3.7
Administration	10,700	9,900	10,500	8.1	1.9
	6,200	6,200	5,800	0.0	6.9

\* Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

In *Goods-Producing Industries*, there was a loss of 300 jobs between August and September 2002 with job losses occurring in *Construction & Mining* (-200), *Industrial & Commercial Machinery & Computer Equipment Manufacturing* (-100), *Transportation Equipment Manufacturing* (-100), and *Other Nondurable Goods Manufacturing* (-100), while job gains occurred over the same time period in *Food & Kindred Products* (200) primarily *Canned Cured & Frozen Foods* (100). The year-over-year data is quite different as *Goods-Producing Industries* lost 2,600 jobs with no job gains and job losses occurring in *Wood Buildings & Mobile Home Manufacturing* (-100), *Industrial & Commercial Machinery & Computer Equipment Manufacturing* (-500), *Electronic & Other Electrical Equipments & Component Manufacturing* (-700), and *Other Durable Goods Manufacturing* (-100). The large decrease in the number of jobs in *Industrial & Commercial Machinery & Computer Equipment Manufacturing* and *Electronic & Other Electrical Equipment and Components Manufacturing* is consistent with the number of layoffs that have occurred in those industries since January 2001.

*Service-Producing Industries* gained 1,100 jobs between August and September 2002. Job losses in *Durable Goods Wholesale Trade* (-100), *Food Stores* (-100), *Business Services* (-200), *Hospital Services* (-100), *Engineering, Accounting, Research, Management, & Related Services* (-100), and *Other Services* (-100), were outpaced by job increases in *Transportation* (200), *Federal Government* (100), *State Government Education* (700), and *Local Government Education* (800) to create the net increase in the number of *Service-Producing Industry* jobs. Most of the job increases occurred in *State and Local Government Education*, which is expected during this month as local school districts reopen after summer break for the beginning of fall semester. From September 2001 to September 2002 there was an increase of 1,600 jobs in *Service-Producing Industries*, with job gains in *Communication & Electricity, Gas & Sanitary Services* (200), *General Merchandise Stores* (200), *Finance, Insurance & Real Estate* (100), *Health Services* (900) primarily *Hospitals* (700), *Engineering, Accounting, Research, Management, & Related* (400), *Other Services* (800), *Federal Government* (300), *Local Government Education* (200), and *Local Government Administration* (400) outpacing job losses in *Nondurable Goods Wholesale Trade* (-100), *Food Stores* (-300), *Business Services* (-1,100), *State Government Education* (-200), and *State Government Administration* (-200).

## AREA DEVELOPMENTS

### Boise City MSA

- Washington Group International (WGI) recently announced that it landed a major long-term contract. WGI, along with Bechtel National Inc. won a multi-year contract from the U.S. Army to build and operate a chemical weapons destruction facility in Pueblo, Colorado. The project will be completed in

six phases and will generate revenue of between \$800 million and \$1.5 billion for the two companies.

- Sears Roebuck and Co. announced in early October that it planned to sell, shut down, or shrink its data center in Boise; this could affect 130 employees. The company plans to make a decision about the operation within a few months.
- Civic Plaza, the next phase of Boise's Courthouse Corridor project, will begin soon. The \$45 million project near the intersection of Front Street and Broadway Avenue in downtown Boise will include 299 apartments, 320 parking spaces, and more than 28,000-square feet of retail services. Construction of the two-building project was scheduled to begin in late October. The target date for completion is fall 2003 for the first building and spring 2004 for the second building.
- The Boise City Council passed a measure to spend more than \$3 million for two pieces of property for library expansion. The measure includes plans to purchase 4.7 acres on ParkCenter Boulevard for a new branch library and to purchase the Shaver's, Inc. grocery warehouse on Eighth Street, adjacent to the main Boise Library, for expansion; the city already owns property at the corner of Cole and Ustick for another branch. There currently are no plans to start construction of the new library branches or expand the existing library facility downtown in the near future.
- The Boise Planning and Zoning Commission approved revisions to the Harris Ranch master plan in mid-October. Under the agreement, Harris Ranch developers and the Boise Parks and Recreation Department came to an agreement about plans for routing the Greenbelt through the 1,800-acre development. The next step for Harris Ranch is to build the East ParkCenter Bridge; once that is complete, the developers can propose detailed plans for the remaining development phases of the planned community. The detailed plans will show where roads will be located, where houses will be built, and how development will affect and work around wetlands areas. When complete the Harris Ranch development will include 3,100 home sites.
- Krispy Kreme announced in early October that it would open its first Idaho doughnut shop in Meridian. The 4,600-square-foot outlet is planned for the southwest corner of Fairview Avenue and Eagle Road. Store construction will begin in November and be completed in January; Krispy Kreme will open the outlet in late January.
- Marshalls opened its first Idaho store in the Crossroads Shopping Center in Meridian in late October. About 60 full- and part-time workers are employed

- at the retail outlet that sells brand-name fashions and home accents at reduced prices.
- The Meridian City Council recently approved the Lochsa Falls subdivision. The development will be the largest planned subdivision in the city. Lochsa Falls will be located northeast of Ten Mile Road and McMillan Street and will include 862 homes, 171 apartments, 11 office buildings, and a commercial structure. The site will eventually include a 25-acre city park, a six-acre neighborhood park, and land for a fire station.
  - Sanitary Services, the company that collects trash in Meridian, recently announced plans to move to a new site. The new 12-acre site is located on the north side of Franklin Street between Linder and Ten Mile Roads. Company officials hope to start construction in January on an office, shop, and parking lot so that the company can relocate in the spring.
  - Hewlett-Packard Co. (HP) announced in late September that the company would cut an additional 1,800 people from its workforce. "Continued market slowdown and HP's clear intent to have a competitive world-class cost structure" were reasons cited for the latest reductions. No information was available on how many would be laid off at the Boise facility.
  - The Nampa Public Library held its annual used book sale and silent auction in October. Library officials plan to move the event next year to a vacant storefront because more space is needed for the sale. During the next budget year, a consulting firm will assess the need for a new library as well as its new location. The study will examine building space, collection size, special programs, and services offered by the library. In addition, the study will assess the needs of community members. The Nampa Urban Renewal Agency provided \$20,000 to fund the study.
  - Northridge Medical Center, a 15,000-square-foot medical office building is currently under construction in Nampa. The building is located south of the Mercy North building near Interstate 84. The new facility will house up to six medical offices. Construction should be completed by December.
  - ConAgra Foods sold 54 percent of its meatpacking business to Hicks, Muse, Tate and Furst of Dallas, Texas, and Booth Creek Management, Inc. of Vail, Colorado. The company has seven meatpacking plants, including the Nampa facility, that were affected by the sale. The Nampa plant officially changed hands in mid-September; officials at the Nampa facility do not expect changes in the operation other than the name change from ConAgra to Swift & Company.
  - Kit Manufacturing in Caldwell recently announced that it would sell its Caldwell recreational vehicle division and its manufactured homes division. Scott Thorpe, the recreational vehicle division's general sales manager hopes to buy that division. Thorpe and Kit Manufacturing had planned to decide in early November whether or not to finalize the sale. No sale has been made on the manufactured homes division, though there are many interested parties. The company employs 250 people at its recreational vehicle plant and 150 people at its manufactured housing plant. It does not expect any personnel to be affected by the sale of either division.
  - Residents of Caldwell passed an \$11 million school bond in early October. Voters approved the three-section construction bond that includes: \$7 million for a new elementary school and improvements for the other elementary schools in the district, \$3.5 million for new classrooms and an expansion of the facilities at Caldwell High School, and \$500,000 to build a 3,800-seat sports stadium at Caldwell High School.
  - Albertson College of Idaho (ACI) recently announced the school was more than \$4.5 million in debt. The financial trouble is the result of a poor economy that affected the college's endowment fund, slower enrollment growth, and fewer donations. To deal with the budget shortfall, the college has formed five task forces to examine the school's budget to see which programs could be cut and which positions could be eliminated; ACI has also planned an aggressive fundraising campaign. This fall, ACI has a total of 824 undergraduate students enrolled—7 percent more than last year—representing the largest enrollment on the Albertson campus in more than a decade.
  - Recent business news in the Boise City MSA includes: the announced opening of Blue Sky Bagels in the former Rocky Mountain Bagel Bakery in downtown Boise in early November; the opening of a Mountain West Bank branch in the Lincoln Plaza building in Meridian; the opening of a Home Federal branch in the Garden City Wal-Mart Supercenter, and the opening of the newest El Tenampa restaurant at 248 Caldwell Boulevard. In other news: Bardenay announced it plans to open a second Treasure Valley restaurant in Eagle in 2003; Flowerama leased 2,680-square feet of space at 222 South Orchard in Boise; Lender Developmental Resources leased space in the Northgate Shopping Center in Boise; AutoZone announced it will build a second Treasure Valley location on Collister Drive in Boise to open in March; a Comfort Suites hotel will be built near the Boise Airport in 2003; Eagle Beverage closed in September and the building was sold to the State Liquor Dispensary, which will open a

store by the end of the year; Fun/Sun Tanning and Toni's Country Cuts leased space in The Birches in Nampa; Plum Creek Cottage opened in a space adjacent to Cranberry Corner in Nampa; Intermountain Community Bank reopened its Nampa branch after a remodel; construction began on a 5,500-square-foot Wells Fargo branch on Karcher Road in Nampa; Austin Family Chiropractic opened a location at 203 Twelfth Avenue in Nampa; The Simple Seasons opened at 1016 Twelfth Avenue South in Nampa; Benchmark Electric built a 10,000-square-foot warehouse/office complex on Executive Drive in Nampa; and Farmers and Merchants State Bank held a grand opening at its new branch located at Twelfth Avenue and Blaine in Caldwell.

#### **Adams County**

- Shaver's sold its Council store to Ron and Lidia Wilson in mid-September. The 12,800-square-foot store has 19 employees. The store name will be changed from Shaver's to Ronnie's. No additional information regarding the sale was disclosed.
- Clearwater Research announced that the company was leaving Council. Company officials cited "economic realities" as reasons for the closure. The company decided that in order to improve efficiency, they had to eliminate the Council satellite office and consolidate in Boise. Company officials promised employees "generous severance packages" that included bonuses for employees who started working there before December 1, 2001 and who had continued working for the company through December 15, 2002. All employees were offered positions at the Boise facility.

#### **Boise County**

- Bogus Basin Ski Resort announced in early October that it plans to hire more than 500 seasonal employees. At a job fair October 12, Bogus Basin hired workers for the following seasonal positions: day-care and parking attendants, ticket and retail shop cashiers, ski and snowboard instructors, snow cat and lift operators, and safety and ski patrol members. Employees are paid a minimum of \$6.25 per hour plus benefits and, if they stay through the season, they could receive a bonus.

#### **Elmore County**

- The continued reorganization at the Mountain Home Air Force Base (MHAFB) appears to be completed. MHAFB was a composite wing with several types of aircraft; after the reorganization, it is now an all-fighter wing. Base headquarters in Mountain Home will now be known as the 366<sup>th</sup> Fighter Wing. The new fighter wing flies F-15Cs, F-15Es, and F16CJs; MHAFB is also a contender for the next generation fighter—the F-22.

#### **Gem County**

- Five acres of Boise Cascade property recently was transferred to the Gem County Recreation District. The property is located at West Main and Canal Streets in Emmett and is valued at over \$212,000. The land will most likely be used to build a community center, although other considerations for the land include creating an indoor recreation center or an interpretive center containing information on Gem County's history.

#### **Owyhee County**

- The Valley Merc in Bruneau closed its doors in early September. This was the only general store in the community and now residents must travel twenty miles to Mountain Home to buy groceries and other goods. In an auction this summer, the grocery store, Laundromat, café, convenience store, gas station, motel, and bar went up for sale. The bar was the only business that was sold.

#### **Valley County**

- Whitetail Club closed its operations on October 14 and will reopen on May 1, 2003. Some full-time security, engineering, and maintenance staff, including golf course personnel, will continue working at Whitetail while office personnel will continue taking reservations and making catering arrangements for next summer. When Whitetail is closed, the company plans to "polish staff and get systems in place." There are 20 full-time and 20 part-time people employed at Whitetail.
- A Boise development group recently proposed the construction of a \$6 million complex near downtown McCall. The complex would include a 90-room hotel and 10,000-square-foot conference center.
- Spring Mountain Ranch, a residential development near McCall, placed 26 of its home sites on the auction block in mid-October. The development was originally scheduled to include 750 home sites when it was first marketed in the early 90's, but has been scaled back to 250 sites following slow sales in the past decade.

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# MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

## EMPLOYMENT TRENDS

The Magic Valley Labor Market Area's (LMA) seasonally adjusted unemployment rate was 3.8 percent for September 2002. This was six-tenths of a percentage point higher than August 2002 but unchanged from September 2001. *Civilian Labor Force* was down 2.3 percent, or 1,180 workers, year-over-year. However, the number of unemployed persons decreased by 2.6 percent, or 50 workers. The unemployment rate of 3.8 percent is low compared to state and national trends, and it is a good sign that the rate is unchanged from one year ago.

Analysis of *Nonfarm Payroll Jobs* shows that the Magic Valley LMA is following state and national trends with a drop in new job creation. Overall, *Nonfarm Payroll Jobs* are down 6.9 percent from September 2001 to September 2002. This represents the largest drop in the Magic Valley LMA numbers in 2002. Many individual sectors showed a marked decrease. *Food Processing, Retail Trade, Finance, Insurance, & Real Estate*, and *Services* sectors were down 3.4 percent, 2.3 percent, 5.8 percent, and 4.6 percent, respectively. State budget cuts in education have contributed to a 5.8 percent drop in *Government Education* workers. The only notable increases occurred in the *Manufacturing-Durable Goods* and *Wholesale Trade* sectors with increases of 10.7 percent and 0.9 percent, respectively. The increase in *Manufacturing-Durable Goods* can be attributed to a large contract that Solo Cup, Inc. received to produce lunch room utensils for California schools, resulting in a workforce increase of approximately 70 percent.

Though it appears the Magic Valley is following national and statewide trends in the slowing of job growth, the unemployment rate remains low and in some sectors, such as *Health Services*, there are serious shortages of workers. Local employers have shown caution in

Magic Valley Table 1: Labor Force & Employment  
Twin Falls, Jerome, and Gooding Counties

	Sept 2002*	Aug 2002	Sept 2001	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	49,210	49,290	50,390	-0.2	-2.3
Unemployment	1,870	1,580	1,920	18.4	-2.6
% of Labor Force Unemployed	3.8	3.2	3.8		
Total Employment	47,340	47,710	48,470	-0.8	-2.3
<b>Unadjusted</b>					
Civilian Labor Force	50,400	50,880	51,560	-0.9	-2.2
Unemployment	1,550	1,750	1,570	-11.4	-1.3
% of Labor Force Unemployed	3.1	3.4	3.0		
Total Employment	48,850	49,130	49,990	-0.6	-2.3
JOBS BY PLACE OF WORK					
<b>Nonfarm Payroll Jobs**</b>	37,610	39,540	40,400	-4.9	-6.9
<b>Goods-Producing Industries</b>	7,670	7,710	7,720	-0.5	-0.6
Mining & Construction	2,030	2,080	2,040	-2.4	-0.5
Manufacturing	5,640	5,630	5,680	0.2	-0.7
Durable Goods	930	950	840	-2.1	10.7
Nondurable Goods	4,710	4,680	4,840	0.6	-2.7
Food Processing	3,720	3,660	3,850	1.6	-3.4
All Other Nondurable Goods	990	1,020	990	-2.9	0.0
<b>Service-Producing Industries</b>	31,940	31,830	32,680	0.3	-2.3
Transportation, Comm., & Utilities	2,830	2,790	2,690	1.4	5.2
Wholesale Trade	2,290	2,440	2,270	-6.1	0.9
Retail Trade	8,080	8,190	8,270	-1.3	-2.3
Finance, Insurance, & Real Estate	1,290	1,310	1,370	-1.5	-5.8
Services	10,200	10,270	10,690	-0.7	-4.6
Government Administration	3,830	3,850	3,760	-0.5	1.9
Government Education	3,420	2,980	3,630	14.8	-5.8

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

hiring and many are not replacing workers lost through attrition. However, early indicators show that holiday hiring will be average for the year, and consumer confidence remains high due to low interest rates and relatively low inflation. It is expected that the cooling in job growth will continue throughout 2002, but it is expected that unemployment will still remain low for the rest of the year. Overall, the Magic Valley economy is stronger than many areas of the state, but it is not immune from outside economic pressures.

## SPECIAL TOPIC

### Historic Old Towne Twin Falls

Historic Old Towne Twin Falls has had a very dynamic year. A little over a year ago, the two existing downtown organizations, Historic Downtown and Old Towne, merged to form one organization known as Historic Old Towne Incorporated. The merged organization selected local business-



person Richard Crowley as its executive director. Under his leadership, and with support from local businesses, Historic Old Towne has worked diligently to promote and revitalize the downtown area of Twin Falls. In a short period of time, Historic Old Towne has assisted new businesses and helped existing businesses expand and improve facilities. As a result, many success stories have developed. For example, Everton Mattress Factory reported record sales in 2001 and is on record pace in 2002. The company is expanding and improving its facility and currently employs 39 people at the factory. Magic Valley Bank is negotiating to purchase the Wells Fargo Building on the corner of Shoshone and Main Street, which will make that building the bank's largest facility to date. South Pacific Grill opened on September 10. The restaurant features a Hawaiian atmosphere and a cuisine that blends Spanish, Chinese, Malaysian, and American influence. Also, the Lamphouse Theatre at 223 Fifth Avenue South is expanding its theatre by 84 seats, bringing it to a capacity of 154 seats. Finally, the former Gem State Paper Co. Building is under extensive renovation to create a professional office space. The plans comply with the National Historic Preservation Society, and the professional space could be ready for occupancy in spring 2003. Overall, Historic Old Towne Incorporated is making positive progress in promoting downtown Twin Falls as a thriving and profitable alternative to shopping mall environments.

## **AREA HIGHLIGHTS**

### **Twin Falls County**

- Walgreens Pharmacy used the Magic Valley Job Service facilities to recruit and hire employees for its new store in Twin Falls, which is scheduled to open in November 2002. The company interviewed dozens of applicants in its search for approximately 15 pharmacy staff and 25 retail staff. Walgreens expressed great satisfaction with the number and quality of applicants.

### **Blaine, Camas, Gooding, Jerome, and Lincoln Counties**

- Tele-Servicing Innovations, Inc. (TSI) announced it was closing its call center in Jerome immediately. Citing "slower than expected national economic recovery" the company announced it will consolidate its TSI Contact Solutions Center in Jerome and Burley and retain the Burley facility. The company opened in August 2001 in the Ridley Building on Main Street in Jerome. The Jerome facility employed approximately 60 people; many of them have been offered positions in Burley.
- WOW Logistics, Inc. recently used the Magic Valley Job Service facilities to recruit workers for its new 250,000-square-foot warehousing facility, due to open in December 2002. Human resource personnel

from Wisconsin conducted interviews with several applicants. The company expects to start with approximately eight employees when it opens. Warehouse construction has proceeded rapidly. Governor Dirk Kempthorne and Idaho Department of Labor Director Roger Madsen attended the groundbreaking ceremony in March.

### **Cassia and Minidoka Counties**

- Kraft Foods North America in Rupert announced that it will permanently reduce its workforce by 50 full-time employees, bringing the total from 130 to 80 workers. A company spokesperson stated, "The decision is due primarily to excess manufacturing capacity at our Rupert plant." The plant makes Philadelphia Cream Cheese and Philadelphia Neufchatel Cream Cheese and will continue to do so. The reduction in force will take place between now and mid-November. The employees will receive severance packages commensurate with their tenure with the company.
- J.R. Simplot Company's first round of layoffs at its Heyburn potato processing plant began October 31, displacing 169 workers (164 wage and five salaried). The Mini-Cassia Job Service established a remote site at the Simplot plant to help workers with such services as job skills and job-hunting workshops, interviewing, and resume writing. On August 16, Governor Dirk Kempthorne announced that a \$4.9 million Workforce Investment Act National Emergency Grant had been awarded and that the Simplot closure had been certified under the Trade Adjustment Act. The grant includes provisions to offer retraining and reemployment services to the Heyburn Plant employees and other workers in the community who are impacted by the closure. Job Service and many other partners, such as the College of South Idaho, the Idaho Department of Health and Welfare, and Region IV Development Association, are working to help retrain displaced workers. A job fair is planned for November that will include many area businesses seeking job applicants.

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# SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

## EMPLOYMENT TRENDS

The Pocatello Metropolitan Statistical Area's (MSA) seasonally adjusted unemployment rate increased one-tenth of a percentage point to 5.8 percent from August 2002 to September 2002. The MSA's September 2002 unemployment rate is three-tenths of a percentage point higher than Idaho's rate of 5.5 percent and two-tenths of a percentage point higher than the U.S. rate of 5.6 percent.

From September 2001, the MSA's seasonally adjusted unemployment rate jumped 1.1 percent. *Civilian Labor Force* was down 1.5 percent and total employment fell 2.4 percent. The number of people unemployed rose 15.9 percent, which drove the large increase in the unemployment rate. However, the MSA's unemployment rate was near the middle of the range for unemployment rates of all the Southeast Idaho counties, which ranged from a low of 3.4 percent in Bingham County to a high of 7.8 percent in Power County. Southeast Idaho Table 2 shows the September 2002 seasonally adjusted labor force figures for all counties in Southeast Idaho.

Southeast Idaho Table 1: Labor Force & Employment  
Pocatello City MSA (Bannock County)

	Sept 2002*	Aug 2002	Sept 2001	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	40,210	39,720	40,820	1.2	-1.5
Unemployment	2,330	2,250	2,010	3.6	15.9
% of Labor Force Unemployed	5.8	5.7	4.9		
Total Employment	37,880	37,470	38,810	1.1	-2.4
<b>Unadjusted</b>					
Civilian Labor Force	40,040	39,070	40,640	2.5	-1.5
Unemployment	2,050	2,170	1,730	-5.5	18.5
% of Labor Force Unemployed	5.1	5.6	4.3		
Total Employment	37,990	36,900	39,910	3.0	-4.8
JOBS BY PLACE OF WORK					
<b>Nonfarm Payroll Jobs**</b>	32,770	31,660	33,200	3.5	-1.3
<b>Goods-Producing Industries</b>	4,420	4,510	4,470	-2.0	-1.1
Mining & Construction	1,740	1,830	1,830	-4.9	-4.9
Manufacturing	2,680	2,680	2,640	0.0	1.5
<b>Service-Producing Industries</b>	28,360	27,160	28,730	4.4	-1.3
Transportation, Comm., & Utilities	1,820	1,800	1,810	1.1	0.6
Wholesale Trade	1,350	1,310	1,400	3.1	-3.6
Retail Trade	6,420	6,540	6,650	-1.8	-3.5
Finance, Insurance, & Real Estate	1,830	1,810	1,700	1.1	7.6
Services	8,250	8,450	8,200	-2.4	0.6
Government Administration	3,460	3,590	3,560	-3.6	-2.8
Government Education	5,230	3,660	5,390	42.9	-3.0

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Southeast Idaho Table 2: September 2002  
Seasonally Adjusted Labor Force Figures

County	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Bear Lake	2,794	139	5	2,655
Bingham	22,226	763	3.4	21,463
Caribou	3,248	230	7.1	3,018
Franklin	5,208	212	4.1	4,996
Oneida	1,769	65	3.7	1,704
Power	3,229	252	7.8	2,977

*Nonfarm Payroll Jobs* increased 3.5 percent (1,110 jobs) in September 2002 over August 2002, mainly because schools opened for the 2002-2003 season. Jobs in the *Goods-Producing Industries* declined 2.0 percent (90 jobs) in September, and all those job losses occurred in *Construction*. The number of jobs in *Manufacturing* was unchanged from August to September 2002. Jobs in the *Service-Producing Industries* increased 4.4 percent (1,200

jobs) in September, and most job gains were in *Government Education* (1,570 jobs). Small job gains occurred in *Transportation, Communications & Utilities* (20), *Wholesale Trade* (40), and *Finance, Insurance & Real Estate* (20). *Retail Trade*, *Services*, and *Government Administration* dropped 1.8 percent, 2.4 percent, and 3.6 percent, respectively, in September. These normal reductions occurred because of the transition from the busy summer season to fall's slower labor pattern. *Retail Trade* lost 120 jobs as it moved from its busy summer and pre-school season to a cool-down period before the busy holiday season begins. *Services* lost 200 jobs as the season transitioned from tourism and recreation, and experienced normal reductions in *Hotels and Other Lodging Establishments*. *Business Services* experienced a drop as temporary summer jobs were eliminated, and *Government Administration* (-130) reduced summer parks and recreation jobs. Job reductions were most pronounced in *Food Stores*, *Eating and Drinking Establishments*, and *Building Materials*, *Garden Supplies & Hardware Stores*, but most categories in *Retail Trade* showed at least some reductions. The one exception was *Automotive Dealers*, whose employment increased because dealer incentives offered extremely attractive interest rates on car purchases.

From September 2001, *Nonfarm Payroll Jobs* declined by 430, a 1.3 percent decrease. The *Goods-Producing Industries* lost 50 jobs over the year. *Construction* lost 90 jobs while *Manufacturing*, surprisingly, held its own and

added 40 jobs. *Manufacturing's* increase in *Nonfarm Payroll Jobs* sends a mixed signal because the Astaris closure affected so many jobs. However, this analysis includes only the Pocatello MSA, which is Bannock County. The job losses at Astaris, while devastating to the economy, are counted in Power County. While these job losses do not show up in this *Nonfarm Payroll Job* analysis, they contributed to increased unemployment in Bannock and Power Counties. The *Service-Producing Industries* lost 370 jobs from September 2001 to September 2002. Job losses occurred in *Retail Trade* (-230 jobs), *Government Administration* (-100 jobs), *Government Education* (-160 jobs), and *Wholesale Trade* (-50 jobs). The national economic recession has hit the *Retail Trade* sector particularly hard as consumers have scaled back purchases. Reduced corporate and personal income taxes have reduced Idaho tax receipts and several holdbacks have reduced jobs in *Government Administration* and *Government Education*.

## SPECIAL TOPIC

### Census 2000 – Area Labor Force Characteristics

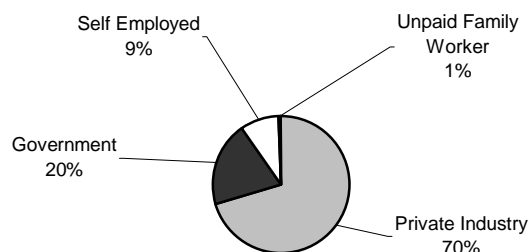
Data released by the U.S. Census Bureau from the 2000 census provides important information about the area's labor force. Southeast Idaho's population of people 16 years old and over (potential labor force) was 111,543 in April 2000. Of that population group, 66 percent, or nearly 74,000 people, were in the labor force, either employed or unemployed. Census data also gives us work characteristics of the employed labor force such as labor force by class of worker, labor force by industry, and labor force by occupation.

In Southeast Idaho, more than 45,000 people work in private industry, as shown in Southeast Idaho Chart 1. *Government*, which includes federal, state, and local government, employs nearly 14,000 workers. Government employment is high in Southeast Idaho because of the location of Idaho State University, the Women's Correctional Facility, and FBI Western Region Computer Center in Pocatello, and because a large portion of the land in Southeast Idaho is owned and maintained by the federal government.

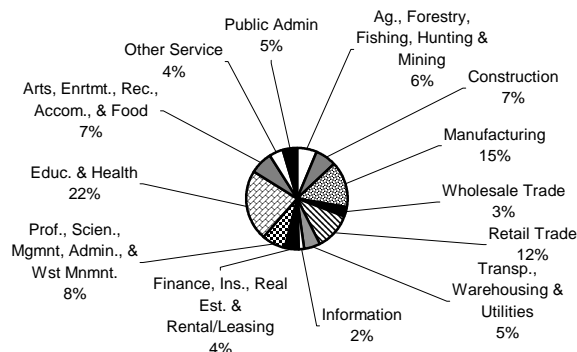
There are thirteen industrial divisions, as shown in Southeast Idaho Chart 2. Southeast Idaho enjoys excellent diversity with significant employment in most industries and at least some employment in each division. The *Education* and *Healthcare* industries employ the largest number of workers in the area and provide jobs for more than 15,000 workers. *Manufacturing* follows with just over 10,000 people employed in that industry.

Southeast Idaho Chart 3 shows the percentage of workers employed in each of the six occupational categories. As in the industrial characteristics, Southeast Idaho enjoys excellent diversity in the occupations it provides for workers. Every category, except *Farming, Fishing & Forestry*, provides significant opportunities for workers. *Managerial, Professional & Related* occupations

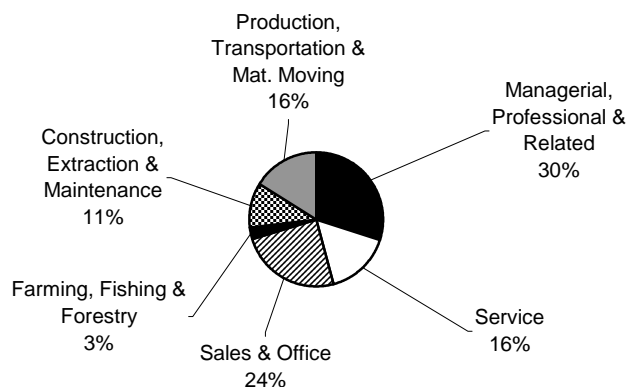
Southeast Idaho Chart 1: Labor Force by Class of Worker



Southeast Idaho Chart 2: Labor Force by Industrial Division



Southeast Idaho Chart 3: Labor Force by Occupation



lead employment with nearly 21,000 workers employed in that group. The large *Education* and *Healthcare* industries contribute to the high level of *Managerial, Professional, & Related* occupations in Southeast Idaho.

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# NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

## EMPLOYMENT TRENDS

The September 2002 seasonally-adjusted unemployment rate for the Bonneville Labor Market Area (LMA) remained unchanged from August at 3.2 percent, as shown in Northeast Table 1. Year-over-year, the LMA showed a decrease in the unemployment rate of five-tenths of a percentage point. Bingham County decreased 1.5 percentage points, Butte County increased 1.0 percentage point, Jefferson County decreased three-tenths of a percentage point, and Bonneville County showed no change. Idaho Falls, the largest city in the LMA, increased two-tenths of a percentage point month-over-month, but remained unchanged from September 2001.

The six Southeast Idaho counties not covered in the LMA also showed movement from August to September 2002 and in the year-over-year comparison. Three of these counties stand out in particular. Madison, the county that has the lowest unemployment rate in the state, dropped even lower from August to 1.3 percent, which is five-tenths of a percentage point decrease month-over-month and seven-tenths of a percentage point decrease from September 2001. However, the county is a temporary home to many of the 10,700 full-time students at Brigham Young University-Idaho (BYU-I) in Rexburg and, due to their temporary residency status, many of the students may not show up in the labor force numbers. Teton County showed an increase of seven-tenths of a percentage point to 4.0 percent month-over-month, which was an increase of 1.5 percentage points from September 2001. The county traditionally has been heavily dependent on seasonal tourism, and the national economy continues to have a lingering effect on business. Fremont County dropped to 3.8 percent for September—2.2 percentage points lower than the previous month and 1.5 percentage points lower than September 2001. Fremont County has seen some economic development in the past year,

Northeast Idaho Table 1: Labor Force & Employment  
Bonneville, Bingham, Butte, and Jefferson Counties

	Sept 2002*	Aug 2002	Sept 2001	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	81,960	83,790	81,210	-2.2	0.9
Unemployment	2,640	2,670	2,980	-1.1	-11.4
% of Labor Force Unemployed	3.2	3.2	3.7		
Total Employment	79,320	81,120	78,220	-2.2	1.4
<b>Unadjusted</b>					
Civilian Labor Force	83,550	84,730	82,740	-1.4	1.0
Unemployment	2,820	3,430	3,160	-17.8	-10.8
% of Labor Force Unemployed	3.4	4.1	3.8		
Total Employment	80,730	81,290	79,580	-0.7	1.4
<b>JOB BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs**</b>					
<b>Goods-Producing Industries</b>	10,440	10,650	9,960	-2.0	4.8
Mining & Construction	5,330	5,540	5,020	-3.8	6.2
Manufacturing	5,110	5,110	4,940	0.0	3.4
Food Processing	2,260	2,280	2,480	-0.9	-8.9
Ind. & Com. Mach. & Computer Equip.	590	590	460	0.0	28.3
All Other Manufacturing	2,260	2,240	2,000	0.9	13.0
<b>Service-Producing Industries</b>	52,650	53,210	52,750	-1.1	-0.2
Transportation, Comm., & Utilities	2,210	2,310	2,400	-4.3	-7.9
Wholesale Trade	4,970	5,010	5,220	-0.8	-4.8
Retail Trade	11,190	11,660	11,260	-4.0	-0.6
Finance, Insurance, & Real Estate	2,030	2,000	1,900	1.5	6.8
Services	22,210	22,380	21,130	-0.8	5.1
Government Administration	5,310	5,530	5,930	-4.0	-10.5
Government Education	4,730	4,320	4,910	9.5	-3.7

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

most notably with the expansion of ML Technologies. However, September data is considered somewhat of an anomaly due to federally-forecasted numbers for the state, and state analysts feel confident that benchmarked numbers set to be released in February 2003 will correct some of the larger changes that were reported month-over-month.

*Nonfarm Payroll Jobs* decreased by 770 jobs from August to September 2002. The majority of those losses came from *Service-Producing Industries*. *Retail Trade*, with a loss of 470 jobs (*Eating & Drinking Establishments* and *Miscellaneous Retail*), was the largest contributor, with *Government Administration* (-220) placing second. *Government Education* added the most jobs (over 400) in *Service-Producing Industries* as expected with school resuming full time. Losses were noted in *Goods-Producing Industries* with *Construction* losing 210 jobs as projects were completed in anticipation of harsher winter weather.

The year-over-year comparison showed an overall increase in *Nonfarm Payroll Jobs* of 380 with a gain of 480 jobs in *Goods-Producing Industries* and a loss of 100 jobs in *Service-Producing Industries*. *Construction* showed a gain of 310 jobs while *Manufacturing* added almost 180 jobs with increases in *Indus-*

*trial & Commercial Machinery & Computer Equipment* and *All Other Manufacturing* counteracting losses in *Food Processing*. Although *Service-Producing Industries* had an overall loss of only 100 jobs, many sectors experienced large changes. The most significant change was seen in *Services* with a gain of 1,080 jobs. This came mostly from *Business Services* and *Nonprofit Organizations*; however, *Hotels & Other Lodging* and *Hospitals* also saw large increases. The only other gain was seen in *Finance, Insurance, & Real Estate* with an overall increase of 130 spread evenly among the three industries. The largest loss was noted in *Government Administration* (-620) as might be expected with summer employment coming to an end for the local areas and budget cuts still being seen throughout the state. *Local Government* experienced a loss of over 600 jobs.

## AREA DEVELOPMENTS

### Bonneville County

- The Eastern Idaho Web Portal "[www.eastidaho.org](http://www.eastidaho.org)" received the International Economic Development Award for its Internet site by the International Economic Development Council at the end of September. The portal acts as a one-stop resource for many aspects of the region, which is defined as Bannock, Bingham, Bonneville, Butte, Custer, Fremont, Jefferson, Madison, and Teton Counties. The website's main role is to provide information for economic development, but it also offers many other resources such as tourism information and up-to-date news on the area. The portal also houses an intranet for organizations and committees to collaborate; almost endless possibilities exist for other uses.
- BNFL, Inc., the contract holder for the Advanced Mixed Waste Treatment Project at the Idaho National Engineering & Environmental Laboratory (INEEL), moved its main office from Seventeenth Street to 765 Lindsay Boulevard in Idaho Falls. The new location includes office space and a mock training facility where new employees will be able to prepare for working in the new facility in the Arco desert. The company has a contract with the Energy Department to prepare, treat, and ship 65,000 cubic meters of transuranic waste from the INEEL.
- Melaleuca, Inc. is building an \$8 million, 105,000-square-foot warehousing and shipping building on the north side of Sunnyside Road near the intersection of Yellowstone Avenue in Idaho Falls. The company initially is expected to employ 111 people for the new facility. This will help the international health and beauty aid company increase its manufacturing capacity. Construction will begin in the spring of 2003 with plans to complete the building by the fall of 2003. The company has over 1,500 employees, 1,300 of whom work in the Southeast Idaho area.

- Eastern Idaho Technical College (EITC) in Idaho Falls received a \$3.5 million grant from the federal government to build a 60,000-square-foot building to house its health care programs. The U.S. Department of Commerce grant requires that EITC provide more than \$6.5 million in two years or risk losing the grant. The health care program is one of the college's fastest growing programs, increasing from 50 to almost 300 nursing students over the past several years. EITC traditionally has a 90 to 100 percent placement rate for health care graduates. The new building will enable EITC train up to 1,000 people at a time.
- Grupo Modelo, Mexico's top brewer, broke ground on its malt plant site at Fifteenth West (Jameston Road) the last week of October. The plant will be built on 460 acres near the Anheuser Busch malt plant and is scheduled to open in September 2004. This is Modelo's first operation outside of Mexico where it has been in business since 1925. The company makes 10 brands of beer with Corona being its top American import. The highly-automated plant will be capable of producing 100,000 metric tons of barley malt a year and will employ about 30 people. All barley malted in Idaho will be used in Modelo's breweries in Mexico. Governor Dirk Kempthorne began marketing Idaho to the company on a trade mission to Mexico in 2001. Idaho Falls was chosen "because of the expertise and help the city was able to provide" while the state of Idaho was chosen because of the quality of its crop and because the preferred barley is not produced in Mexico, according to the company CEO Carlos Fernandez Gonzalez.

### Madison County

- Deseret Industries will move to a new building at 625 North Second East in Rexburg. The new building will include 40,000-square feet of office and retail space. Beehive Clothing Distribution Center also will relocate to the new facility. The ground has been staked off for construction to begin, but a completion date was not available. Jalisco's Mexican Restaurant opened at 240 North Second East in Rexburg, specializing in seafood. Little Caesars also opened at 26 West First South in Rexburg and offers free delivery after 4 p.m. anywhere in the city limits.

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## IDAHO REGULAR AND EMERGENCY UNEMPLOYMENT CLAIMANTS: A COMPARISON

To help counter the effects of the U.S. recession that began in 2001, Congress and the President enacted the Temporary Emergency Unemployment Compensation (TEUC) Act in early March 2002, extending unemployment benefits to people who had exhausted their regular unemployment benefit entitlement. Unemployed workers were able to begin taking advantage of the program the week ending Saturday, March 16, 2002. Unless extended by Congress, the last week of benefit eligibility will end Saturday, December 28, 2002. Under this act, eligible unemployed individuals in each state are entitled to up to 13 weeks of additional unemployment benefits. In addition, states that had an insured unemployment rate of 4.0 percent or higher at the beginning of the TEUC program received yet another maximum 13-week extension. Idaho was among the states qualifying for both TEUC extensions.

The Idaho Department of Labor conducted a study identifying the effects of the recession in Idaho by comparing characteristics of individuals receiving regular benefits with those filing for TEUC to determine if there were differences between the two groups. Individuals filing claims from January to December 2001 (65,840) were assumed to include most of those claimants who subsequently filed for TEUC program benefits in 2002. The first group is referred to

as the regular claimant population. Individuals filing for TEUC benefits from March 10, 2002, the beginning of the program, through June 26, 2002 (9,492), are referred to as the TEUC group. Because 85 percent of the TEUC group filed initial claims in 2001, these two groups make a reasonable match for comparison purposes.

### Regular Unemployment Insurance Benefits 2000 to 2001

For background, it's helpful to examine what was happening with regular unemployment insurance benefits prior to the TEUC enactment.

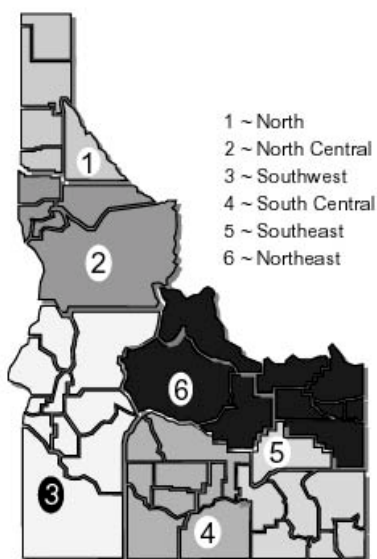
Regular unemployment payments increased 40.1 percent between 2000 and 2001 in Idaho, increasing to about \$143 million in 2002 from \$102 million in 2001. The Southwest Idaho region (see FYI Map 1), which includes the Boise Metropolitan Statistical Area (MSA), had the highest rate of increase at 65.3 percent, representing nearly 57.5 percent of the total \$41 million statewide increase in unemployment insurance benefits paid out. See FYI Table 1 and FYI Chart 1 (page 22) for a breakdown of the unemployment benefits paid in 2000 compared to 2001 for each of the state's six regions.

Six months later, at the end of the state fiscal year, additional comparisons were made. In Idaho, the fiscal year (FY) runs from July 1 through June 30. The statewide unemployment insurance payout had risen to nearly \$173 million for FY2002—46.2 percent above FY2001's \$118.2 million payout. FYI Table 2 and FYI Chart 2 (page 22) show the regular benefits paid in each Idaho region for FY2001 compared to FY2002. Southwest Idaho had a 65.9 percent increase and received 63.6 percent of the total \$54.7 million benefit payment increase. During the first six months of 2002, regular unemployment benefits continued to increase, and Southwest Idaho continued to be the area affected most by rising unemployment.

### Differences in Work-Search Classifications

Individuals receiving unemployment benefits are classified according to work-search categories: Employer/Union Attached—these individuals may have been temporarily laid off or are members of a union, so they are not required to seek other employment; Work-Search Required—these individuals must continue seeking work to continue receiving benefits; and Enrolled in Training—these

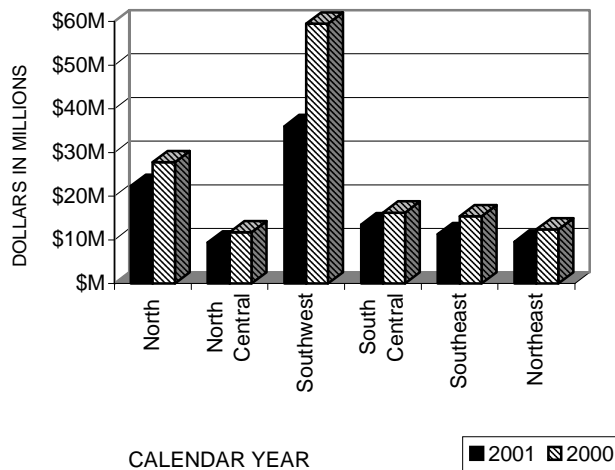
FYI Map 1: Idaho Regions



FYI Table 1: Summary of Regular Unemployment Insurance Benefits By Region for 2000 and 2001

Idaho Region	2000		2001	
	WEEKS PAID	DOLLARS PAID	WEEKS PAID	DOLLARS PAID
<b>North</b>	110,592	\$22,349,874	132,256	\$27,745,998
<b>North Central</b>	44,248	\$9,386,718	53,018	\$11,703,063
<b>Southwest</b>	182,697	\$35,998,035	274,275	\$59,519,746
<b>South Central</b>	71,946	\$13,493,791	81,725	\$16,220,324
<b>Southeast</b>	57,856	\$11,254,140	73,468	\$15,371,511
<b>Northeast</b>	46,984	\$9,556,563	57,238	\$12,359,920
<b>TOTAL</b>	<b>514,323</b>	<b>\$102,039,121</b>	<b>671,980</b>	<b>\$142,920,561</b>

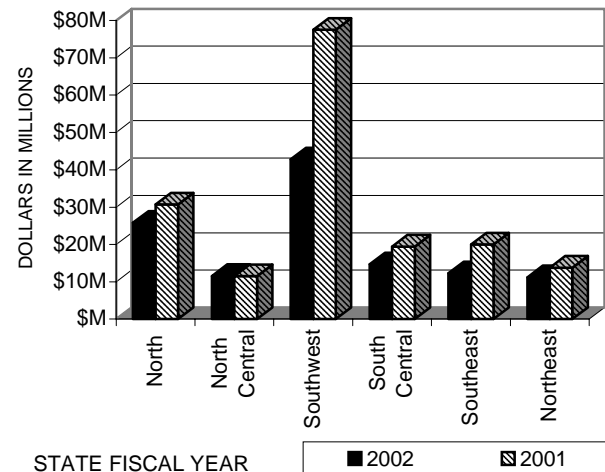
FYI Chart 1: Regular Unemployment Benefits Paid By Region for 2000 and 2001



FYI Table 2: Summary of Regular Unemployment Insurance Benefits By Region for State Fiscal Year Ending June 30

Idaho Region	2001		2002	
	WEEKS PAID	DOLLARS PAID	WEEKS PAID	DOLLARS PAID
<b>North</b>	124,170	\$25,845,838	142,911	\$30,716,058
<b>North Central</b>	52,582	\$11,536,653	51,111	\$11,491,200
<b>Southwest</b>	207,667	\$42,760,580	344,473	\$77,520,769
<b>South Central</b>	74,472	\$14,650,107	95,920	\$19,422,124
<b>Southeast</b>	59,949	\$12,255,642	91,523	\$20,000,327
<b>Northeast</b>	52,367	\$11,194,653	62,133	\$13,777,193
<b>TOTAL</b>	<b>571,207</b>	<b>\$118,243,473</b>	<b>788,071</b>	<b>\$172,927,671</b>

FYI Chart 2: Regular Unemployment Benefits Paid By Region for State Fiscal Year Ending June 30



individuals are involved in training to learn new skills and are not required to seek work until they have finished the training. When individuals receiving TEUC were compared with individuals receiving regular unemployment benefits, some interesting differences were found.

Nearly 47 percent of claimants receiving regular unemployment benefits were exempt from seeking work because of attachment to an employer or union. The percentage of TEUC claimants in the same classification was less than half as much at 22.6 percent.

Another striking statistic is that there were three times as many TEUC individuals enrolled in training as were in the much larger regular claimant population—255 compared to 83. Though 255 is a relatively small number of individuals, this increase points to a weakening economy. Even individuals once considered job attached had transitioned into formal training to learn new skills for a changing labor market.

In FYI Table 3, the number and percent of regular claimants are compared to TEUC claimants by work-search requirement categories.

FYI Table 3: Work-Search Classifications for TEUC Claimants

Work-Search Classification	Regular		TEUC	
	Number	Percent	Number	Percent
<b>Employer/Union Attached</b>	30,879	46.9	2,146	22.6
<b>Work-Search Required</b>	34,878	53	7,090	74.7
<b>Enrolled in Training</b>	83	0.1	255	2.7
<b>Total</b>	<b>65,840</b>	<b>100</b>	<b>9,492</b>	<b>100</b>

### Average Weekly Benefit Differences

This study also reviewed differences in weekly benefit amounts (WBA) between the two groups. For TEUC claimants, the WBA was \$232.22, which was significantly higher than the \$208.52 average for regular unemployed claimants. Benefit averages also varied among Idaho regions for both the regular and TEUC study groups. FYI Table 4 (page 23) compares the average weekly benefit amounts paid to TEUC and regular claimants by region.

Higher average benefits paid to TEUC claimants suggest there are probably other differences between the two groups. Consequently, comparisons were made by gender and industries from which the claimants received most of their wages. Variation by gender was not meaningful as 64.8 percent of the 2001



FYI Table 4: Average Weekly Benefits For Regular and TEUC Claimants By Region				
Idaho Region	Regular		TEUC	
	Average WBA	Number	Average WBA	Number
North	\$199.86	11,090	\$220.30	1,793
North Central	206.59	5,042	235.22	723
Southwest	217.79	27,218	239.5	4,261
South Central	201.4	7,746	211.02	848
Southeast	204.91	6,851	233.21	946
Eastern	199.31	5,569	234.3	545
Interstate	201.86	2,224	243.24	376
Total	\$208.52	65,840	\$232.22	9,492

claimants were male and the TEUC group was 62.8 percent male. However, differences among industries were evident.

### Industry Comparison

Although similar industry classification groups were found in both groups, the distribution was not the same.

The North American Industry Classification System (NAICS) was used to identify industry groups, with some modification of NAICS sectors coding for the purpose of this analysis.

Reasons were varied for the way NAICS codes were grouped or divided for this study. Some groups were defined because Idaho traditionally has monitored the categories based on their importance to the state economy. These included *Forestry & Logging* and *Food Processing* in the *Manufacturing* area. *Electronics Manufacturing* was identified separately because of the concern that technology job losses were significant, and their importance in Idaho is high. *Transportation* and *Utilities* were consolidated due to the traditional grouping in the Standard Industrial Classification, which is now replaced by NAICS. Other groupings were made to keep the number of groups manageable and to reflect current discussion of NAICS groups for Idaho analysis.

FYI Table 5 shows industry groups defined for this analysis and how they relate to the NAICS industry classifications.

One group in the list, "Combined Wage Claim," is not an industry, but represents a category of unemployed claimants who have wages in Idaho and one or more other state. These individuals fall into a category that does not have a "major base-period employer" industry code in the Idaho Department of Labor file. Though it is reasonable to conclude that industries of these workers will vary considerably, they were not distributed among the industry groups for this study. They remained a separate group for analysis purposes.

FYI Table 5: Industry Comparison Descriptions		
NAICS Sector	Study Group	Notes
Agriculture, Forestry, Fishing, & Hunting	Agriculture, Fishing, & Hunting	Logging included in Forestry & Wood Products
Mining	Mining	
Utilities	Transportation-Utilities	Included with Transportation
Construction	Construction	
Manufacturing	Food Processing	Identified separately
	Forestry & Wood Products	Identified separately
	Electronic Mfg.	Identified separately
	All Other Mfg.	Identified separately
Wholesale Trade	Wholesale Trade	
Retail Trade	Retail Trade	
Transportation & Warehousing	Transportation-Utilities	Included with Utilities
Information	Information	
Finance & Insurance	Finance & Insurance	
Real Estate, Rental, & Leasing	Business & Professional	Consolidated sector with others
Profession, Scientific, & Technical Services	Business & Professional	Consolidated sector
Management of Cos. & Enterprises	Business & Professional	Consolidated sector
Admin. & Support, Waste Mgt. & Remediation Services	Business & Professional	Consolidated sector
Education Services	Education & Health	Consolidated sector
Health Care & Social Services	Education & Health	Consolidated sector
Arts, Entertainment, & Recreation	Leisure	Consolidated sector
Accommodation & Food Services	Leisure	Consolidated sector
Other Services	Other Services	
Public Administration	Government Admin.	
	Combined Wage Claims	Added non-industry category

FYI Table 6 (page 24) shows the distribution percentages of claimants by industry for regular claimants. FYI Table 7 (page 24) shows the distribution percentages by industry for TEUC claimants.

The four industry classes having the highest likelihood of receiving TEUC benefits, compared to their representation in the 2001 regular claimant population, were *Combined Wage Claim*, *Electronics Manufacturing*, *Mining*, and *Information*. The four industry classes having the lowest likelihood were *Food Processing*, *Leisure*, *Retail Trade*, and *Other Manufacturing*.

The distribution of TEUC industry groups and the regional concentration of payments were significant reasons for higher TEUC benefit payments. Individuals from the *Electronics Manufacturing* and *Information* industries were among the four highest participating industries, substantiating the concern

FYI Table 6: Percent of Regular Initial Claims by Industry for 2001

Industry	# of Initial Claims	Percent
Combined Wage Claim	2148	3.3%
Agriculture, Fishing & Hunting	2536	3.9%
Mining	665	1.0%
Construction	10797	16.4%
Food Processing	4936	7.5%
Forest & Wood Products	3907	5.9%
Electronic Manufacturing	2844	4.3%
Other Manufacturing	6086	9.2%
Transportation-Utilities	2391	3.6%
Wholesale Trade	3014	4.6%
Retail Trade	6899	10.5%
Information	968	1.5%
Finance & Insurance	1226	1.9%
Business & Professional	6869	10.4%
Education & Health	3615	5.5%
Leisure	4326	6.6%
Other Services	1249	1.9%
Government Administration	1350	2.1%

FYI Table 7: Percent of TEUC Initial Claims by Industry for 2002

Industry	# of Initial Claims	Percent
Combined Wage Claim	722	7.6%
Agriculture, Fishing & Hunting	356	3.8%
Mining	138	1.5%
Construction	1498	15.8%
Food Processing	311	3.3%
Forest & Wood Products	503	5.3%
Electronic Manufacturing	628	6.6%
Other Manufacturing	753	7.9%
Transportation-Utilities	333	3.5%
Wholesale Trade	415	4.4%
Retail Trade	847	8.9%
Information	188	2.0%
Finance & Insurance	218	2.3%
Business & Professional	1143	12.0%
Education & Health	527	5.6%
Leisure	502	5.3%
Other Services	164	1.7%
Government Administration	242	2.5%
Unknown	4	0.0%

that high tech jobs were severely affected by the recession.

The *Electronics Manufacturing* industry had the highest average weekly benefit amount (WBA), \$277.39, followed by *Mining* with \$269.91. *Information* was ranked fourth at \$265.19 and fifth was *Combined Wage Claim* with \$257.02. This contrasts with the lowest relative representation. *Leisure* had the lowest average WBA of \$164.86, *Retail* was ranked fifteenth with \$202.46, and *Food Processing* was thirteenth at \$205.15. *Other Manufacturing* was the only category above the overall mean of \$232.22 and it ranked seventh with an average of \$255.54. This distribution

of industries assured that average benefits paid to TEUC claimants would be higher than that for the regular claimant population.

### Conclusions

In 2001, the Idaho economy was affected by the national recession. Unemployment rates rose causing regular unemployment payments in 2001 to increase by 40.1 percent above 2000. During the first six months of 2002, benefit payments continued to increase as the year-over-year comparison increased 46.2 percent. When the TEUC program began in mid-March, it was evident Idaho's economy was weak. Eligibility for TEUC required individuals to have used up their eligibility for regular unemployment benefits, and 255 people entered the TEUC program while enrolled in formal training to prepare for new careers.

The economic recession most affected the higher population/urban areas of the state. Southwest Idaho, which includes the Boise MSA, experienced the largest increase in regular unemployment benefits, and received the highest proportion of TEUC benefits.

The higher participation in TEUC in Southwest Idaho contributed to higher average benefits being paid to TEUC claimants, but the industries from which the claimants had received most of their wages also had significant influence on benefit payments. Among the TEUC claims in 2002, industry groups with higher average weekly benefits had a greater percent of claimants relative to the number of claims when compared to those same industry groups among the regular claimants in 2001. *Electronics Manufacturing* and *Information* industries were two of the four highest participating industries, which substantiates the belief and concern that high tech jobs were severely affected by the recession.

Individuals who exhaust their eligibility for regular unemployment benefits will be eligible for TEUC through the end of 2002. The effects of unemployment are not static, so the mix of individuals who participate in TEUC through the full entitlement period could have different characteristics from the ones included in this study. A second study of TEUC claimants would provide useful information in early 2003.

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# F.Y.I.

FOR YOUR INFORMATION

## IDAHO'S VETERANS

At 11:00 a.m. on November 11, Veterans Day, a color guard representing all branches of the military executes the command "Present Arms" at the Tomb of the Unknowns in Arlington National Cemetery, a presidential wreath is laid on the tomb, and a bugler plays "Taps." In Idaho and across the nation similar ceremonies take place to honor U.S. veterans on that day.

As of September 30, 2001 Idaho was estimated to have 124,630 residents who are veterans, or 9.4 percent of the state's total population. Nationally, only 8.8 percent of the population was comprised of veterans at that time. Idaho has 0.5 percent of the nation's veterans, a percentage consistent with the state's total population, which is also 0.5 percent of the nation's total. In most states the pattern is the same, percentages of veterans and populations are similar when figured as part of the national totals, with California, New York, and Florida being the most notable exceptions.



California has 12.1 percent of the nation's population, but only 9.2 percent of the nation's veteran population. This pattern is especially evident in the 30 to 34 years of age category, including the youngest Gulf War veterans, in which California has only 7.7 percent of the nation's veteran population. New York's veteran population is 5.2 percent of the nation's total, but its total population comprises 6.7 percent of the nation's total. In the 45 to 49 years of age category, New York has only 4.2 percent of the nation's veteran population. This category includes those veterans who entered the military at 18 years of age near the end of the war in Vietnam. Florida lies at the other end of the scale. While Florida has 5.8 percent of the nation's population, it has 7.1 percent of the nation's veteran population. The difference is greatest for ages 75 and up, with residents 95 to 99 years of age comprising 10 percent of the nation's veteran population. These figures are not surprising, considering Florida's popularity as a retirement destination.

FYI Table 9: Veterans in Idaho and United States by Age and Gender

Years of Age	IDAHO					Idaho Total as % of U.S. Total	UNITED STATES*				
	Males	As % of Idaho Total	Females	As % of Idaho Total	Idaho Total		Males	As % of U.S. Total	Females	As % of U.S. Total	U.S. Total
Under 20	54	82.8	11	17.2	65	0.53	9,818	79.5	2,538	20.5	12,356
20-24	1,215	83.7	236	16.3	1,451	0.52	222,435	79.8	56,282	20.2	278,717
25-29	3,149	86.5	490	13.5	3,639	0.54	570,739	84.5	104,895	15.5	675,634
30-34	5,415	87.8	751	12.2	6,166	0.55	975,872	86.9	146,679	13.1	1,122,552
35-39	6,745	88.2	901	11.8	7,647	0.54	1,251,560	87.6	176,659	12.4	1,428,219
40-44	8,291	88.7	1,054	11.3	9,345	0.52	1,582,578	88.6	204,179	11.4	1,786,757
45-49	10,034	92.0	878	8.0	10,913	0.54	1,840,874	91.8	163,726	8.2	2,004,600
50-54	15,260	96.7	515	3.3	15,775	0.52	2,915,278	96.7	100,426	3.3	3,015,704
55-59	15,119	97.8	337	2.2	15,457	0.50	2,999,181	97.9	64,519	2.1	3,063,700
60-64	11,019	97.3	305	2.7	11,324	0.51	2,185,132	97.7	51,174	2.3	2,236,306
65-69	11,224	97.6	280	2.4	11,504	0.47	2,373,864	97.9	51,737	2.1	2,425,601
70-74	11,268	98.2	208	1.8	11,476	0.44	2,539,020	98.1	48,037	1.9	2,587,057
75-79	10,203	95.7	461	4.3	10,663	0.45	2,291,004	96.2	89,611	3.8	2,380,615
80-84	6,379	93.5	444	6.5	6,823	0.45	1,419,934	94.2	88,051	5.8	1,507,985
85-89	1,839	94.1	114	5.9	1,953	0.43	422,486	93.9	27,577	6.1	450,063
90-94	344	92.0	30	8.0	374	0.42	80,716	90.9	8,062	9.1	88,777
95-99	42	86.5	7	13.5	49	0.45	9,396	85.8	1,559	14.2	10,956
100 and Over	5	81.7	1	18.3	6	0.50	1,011	82.0	221	18.0	1,233
All Ages	117,606	94.4	7,024	5.6	124,630	0.50	23,690,899	94.5	1,385,933	5.5	25,076,832

\* Excludes Washington, D.C. and U.S. territories

Data source: Department of Veterans Affairs

Idaho has a higher percentage of veterans under the age of 65 than the nation; 15.2 percent of Idaho's veterans are under 40 years of age, compared to 14.0 percent nationally, and 50.4 percent of Idaho's veterans are 40 to 64 years of age, compared to 48.3 percent nationwide. Nationally, 37.7 percent of veterans are 65 years of age and older, compared to only 34.4 percent in Idaho in 2001.

Male veterans far outnumber female veterans in both Idaho (94.4 percent versus 5.6 percent) and the nation (94.5 percent versus 5.5 percent). Nationally in 2001, female veterans age 20 and older had the same unemployment rate as female non-veterans (4.1 percent). Male veterans, however, had a lower unemployment rate (3.6 percent) than male non-veterans (4.3 percent). Overall, veterans had a 3.6 percent unemployment rate and non-veterans had a 4.2 percent unemployment rate during 2001. The combination of training and experience may make it easier for veterans to find work after they leave the military.

The Veterans Administration (VA) reports that a total of \$218 million was spent in Idaho during 2001 to serve its veteran population. Over 22,000 veterans received VA health care and 15,945 veterans and survivors received disability compensation or pension payments in Idaho last year. The research program at the VA medical center in Boise received approximately \$1.25 million in funding, \$420,000 of which came from non-VA sources. The Idaho Department of Labor spent \$440,269 on the Disabled Veterans Outreach Program grant and \$667,765 on the Local Veterans Employment Representative grant in 2001.

The Idaho Department of Labor provides a range of services to veterans including career assessment, information on education and training, and job referrals. For more information, contact the Veterans Representative at any local Job Service office, or visit the Idaho Department of Labor website at <http://www.jobservice.us>.

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over-year. Alfalfa hay is projected to set an Idaho record at 44.8 million tons (from *Agriculture in Idaho*, 10/16/02 issue).

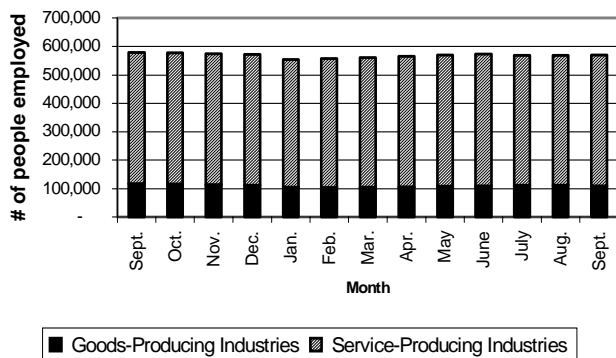
Although there were no more counties added to the list of drought emergency declarations, concern about next year's water supply remains high. There was little precipitation during the summer, stored water is nearly depleted, and the prospects of another *El Nino* (dry) winter have fostered this concern.

Another concern to Idaho's agricultural industry unfolded with the work stoppage at the West Coast port facilities, beginning September 27, which lasted nearly two weeks. Idaho businesses felt immediate effects on product transportation and distribution systems and had to secure ad hoc refrigerated storage fa-

cilities for items such as frozen french fries that were designated for export. Wheat shipments from the Port of Lewiston were curtailed. *More information on that topic can be found in the Seaport article, which starts on page 9.*

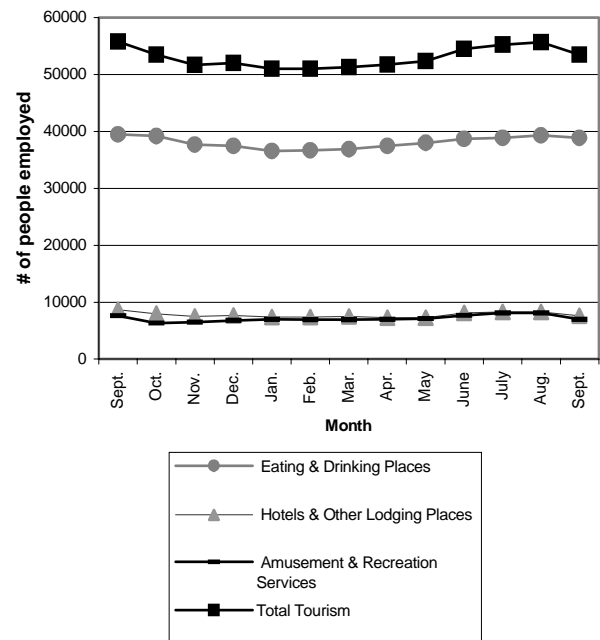
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State Chart 1: Nonfarm Employment Sept. 2001-Sept. 2002



\*Note: Goods-Producing Industries + Service-Producing Industries = Total Nonfarm Employment

State Chart 2: Tourism-Related Industries Employment Sept. 2001-Sept. 2002



State Table 4: Idaho Monthly Nonfarm Employment, Sept. 2001 - Sept. 2001

Industry	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
<b>Total Nonfarm</b>	578,600	577,200	575,300	571,700	553,800	566,700	560,200	565,800	569,300	573,800	568,300	567,900	569,600
<b>Goods-Producing Industries</b>	117,700	116,300	113,400	110,700	104,600	103,900	104,300	106,300	108,200	110,400	110,700	110,900	109,900
<b>Service-Producing Industries</b>	460,900	460,900	461,900	461,000	449,200	452,800	455,900	459,500	461,100	463,400	457,600	457,000	459,700

State Table 5: Idaho Monthly Tourism Employment, Sept. 2001 -Sept. 2002

Industry	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
<b>Eating &amp; Drinking Places</b>	39,500	39,200	37,700	37,500	36,600	36,700	36,900	37,500	38,000	38,700	38,900	39,300	38,900
<b>Hotels &amp; Other Lodging Places</b>	8,700	8,000	7,500	7,700	7,400	7,400	7,500	7,300	7,300	8,100	8,300	8,300	7,600
<b>Amusement &amp; Recreation Svcs.</b>	7,600	6,300	6,500	6,800	7,000	6,900	6,900	7,000	7,100	7,700	8,100	8,100	7,000
<b>Total Tourism</b>	55,800	53,500	51,700	52,000	51,000	51,000	51,300	51,800	52,400	54,500	55,300	55,700	53,500

# Glossary of Labor Market Terms

**Agriculture Employment:** Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

**Average Hourly Earnings/Average Weekly Hours:** The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12<sup>th</sup> of the month.

**Average Weekly Earnings:** Average Hourly Earnings multiplied by Average Weekly Hours.

**Civilian Labor Force:** A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

**Consumer Price Index (CPI):** A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

**Covered Employers:** Employers who are subject to state and federal Unemployment Insurance laws.

**Durable Goods:** Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

**Employed:** Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12<sup>th</sup> day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

**Initial Claim:** Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

**Labor Market Area (LMA):** An area that consists of a central city or cities and the surrounding territory within commuting distance. It is an economically integrated geographic area within which individuals can reside and find employment without changing place of residence. Idaho has nine LMAs.

**Metropolitan Statistical Area (MSA):** An area that has either a city with a population of at least 50,000 or a Bureau of Census urbanized area of at least 50,000 and a total metropolitan area of at least 100,000. The Office of Management and Budget designates the MSAs. There are two MSAs in Idaho—Boise City (including Ada and Canyon counties) and Pocatello City (including Bannock County).

**Nonfarm Wage & Salary Employment:** Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12<sup>th</sup> of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

**Nondurable Goods:** Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

**Seasonally Adjusted:** Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

**Unemployed:** Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12<sup>th</sup> of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

**Unemployment Insurance:** Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

**Unemployment Rate:** The number of persons unemployed expressed as a percentage of the labor force.

**Weekly Benefit Amount:** The amount payable to a claimant for a compensable week of total unemployment.

**Weeks Claimed:** The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

**Weeks Compensated:** The number of weeks for which compensation was actually paid.